



***Financial Report***

***City of Thibodaux***

***For the year ended December 31, 2008***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/15/09

## TABLE OF CONTENTS

### City of Thibodaux

For the year ended December 31, 2008

	<u>Exhibit</u>	<u>Page Number</u>
<b>Introductory Section</b>		
Title Page		i
Table of Contents		ii - iii
<b>Financial Section</b>		
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4 - 13
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	1	14
Statement of Activities	2	15 - 16
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	3	17 - 18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	4	19
Statement of Revenues, Expenditures and Changes in Fund Balances	5	20 - 21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
General Fund	7	23 - 29
Grant Fund	8	30
Proprietary Funds:		
Statement of Net Assets	9	31 - 32
Statement of Revenues, Expenses and Changes in Fund Net Assets	10	33
Statement of Cash Flows	11	34
Notes to the Financial Statements	12	35 - 68
	<u>Statement</u>	
<b>Supplementary Information Section</b>		
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		69
Combining Balance Sheet	A-1	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	A-2	71
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Fire Department Fund	A-3	72
Street Improvement and Maintenance Fund	A-4	73
Police Forfeiture Fund	A-5	74
Capital Projects Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	B	75
Capital Assets Used in the Operation of Governmental Funds:		
Schedule By Source	C-1	76
Schedule By Function and Activity	C-2	77
Schedule of Changes By Function and Activity	C-3	78

## **TABLE OF CONTENTS**

(Continued)

### **City of Thibodaux**

For the year ended December 31, 2008

	<u>Schedule</u>	<u>Page Number</u>
<b>Other Supplementary Information Section</b>		
Schedule of Compensation Paid to Council	1	79
Statement of Revenues and Expenses - Municipal Gas and Sewerage System Fund	2	80
Schedule of Utility Customers (unaudited)	3	81
Schedule of Insurance in Force (unaudited)	4	82 - 83
<b>Special Reports of Certified Public Accountants</b>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		84 - 85
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		86 - 87
Schedule of Expenditures of Federal Awards		88
Notes to Schedule of Expenditures of Federal Awards		89
Schedule of Findings and Questioned Costs		90 - 91
<b>Reports By Management</b>		
Schedule of Prior Year Findings and Questioned Costs		92
Management's Corrective Action Plan		93

## **FINANCIAL SECTION**



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and the  
Thibodaux City Council,  
Thibodaux, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Thibodaux, State of Louisiana (the City) as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City of Thibodaux, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the City of Thibodaux, Louisiana, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Thibodaux, Louisiana, as of December 31, 2008, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the City has issued separate reporting entity financial statements for the City Court of Thibodaux, Louisiana and the Thibodaux Volunteer Fire Department, Inc. Those separate entity financial statements were audited by other auditors.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the primary government of the City of Thibodaux, Louisiana, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1(d) and Note 17 to the financial statements, the City adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, in 2008.

In accordance with Government Auditing Standards, we have also issued our report dated May 12, 2009 on our consideration of the City of Thibodaux, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis is on pages 4 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Thibodaux, Louisiana's basic financial statements. The supplementary information section (combining and individual fund financial statements) and other supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City of Thibodaux, Louisiana. The accompanying financial information listed in the supplementary information section, other supplementary information section, except for the information contained in Schedules 3 and 4, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion,

are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other supplementary information in Schedule 3-Schedule of Utility Customers and Schedule 4-Schedule of Insurance in Force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Thibodaux, Louisiana,  
May 12, 2009.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **City of Thibodaux, Louisiana**

The Finance Department, Accounting Division is responsible for the overview and analysis of the financial activities of the City of Thibodaux, Louisiana (the City) for the year ended December 31, 2008. The narrative provided is designed to introduce the financial highlights and offer an overview of our financial statements.

Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and facts known to date. This narrative includes a government-wide financial analysis of revenues, expenses and changes in the net assets. Further detail offers our readers a financial analysis of the City's funds consisting of the governmental fund types and proprietary funds.

### **FINANCIAL HIGHLIGHTS**

Assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$64.5 million (net assets). Of this amount, \$11.8 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net assets increased by \$2.6 million during 2008. The business-type net assets increased by approximately \$1.3 million in 2008.

At the end of our current fiscal year, the City's governmental funds reported combined ending fund balances of \$12.4 million, with an increase of \$0.4 million in comparison with the prior year. Approximately 53% of this total amount, \$6.5 million, is available for spending at the City's discretion (unreserved, undesignated fund balance). The unreserved, designated amount of \$5.9 million represents 2009 budgeted deficits whose liquidation will require the use of fund balance at December 31, 2008.

At year-end, unreserved, undesignated fund balance for the general fund was \$4.6 million, or 38% of total 2008 General Fund expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City of Thibodaux's basic financial statements. The City of Thibodaux's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.



## **Government-Wide Financial Statements**

The government-wide financial statements reported in Exhibits 1 and 2 are designed to be similar to private-sector business in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. These statements combine governmental fund's current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a column for the business-type activities of the primary government.

The Statement of Net Assets reported in Exhibit 1 presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities reported in Exhibit 2 presents information showing how the government's net assets changed during the most recent fiscal year. All changes in the assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, earned but unused vacation leave results in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities, which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the City's basic services and include the financial activities of the City Administration (Executive and Legislative Branches), Public Works (Government Buildings, Drainage, Roads and Streets), Public Safety (City Police and Fire), Human Resources, Finance, Parks, Recreation, Municipal Auditorium, and Legal. The business-type activities of the City include a water production and distribution operation, natural gas distribution, a sewerage collection and treatment system and solid waste collection and disposal.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

***Governmental Funds*** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Major Fund presentation in Exhibits 3 through 8 is presented on a sources and uses of liquid resources basis. This is the manner in which the financial budget is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The City has presented the following major funds: General Fund, Grant Fund and Capital Projects Fund.

All non-major governmental funds are presented in one column, titled Other Governmental Funds. Combining financial statements of the non-major funds can be found in the Combining and Individual Fund Statements and Schedules that follow the basic financial statements.

***Proprietary Funds*** report both Enterprise and Internal Service funds on the fund financial statements illustrated in Exhibits 9 through 11. *Enterprise funds* are used to account for operations financed and operated in a manner similar to private business enterprises. These Enterprise Funds are presented as major funds and consist of the Municipal Waterworks Fund, Municipal Gas and Sewerage System Fund and Garbage Collection Fund. The intent is that costs of goods or services to the general public on a continuing basis be financed primarily through user charges. The *Internal Service Fund* is used to account for the financing of goods or services provided by Risk Management (self-insurance) to other funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities section in the government-wide financial statements.

## **Capital Assets**

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure and all other tangible assets that are used in operations and that exceed the City's capitalization threshold explained in Note 1d), Exhibit 12. All projects completed and acquisitions occurring in calendar year ended December 31, 2008 have been capitalized.

## **Other Information**

### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit 12 of this report.

### ***Supplementary Information***

The combining statements referred to earlier in connection with the non-major governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules include Statements A-1 through C-3 of the report.

Other supplementary financial information can be found in Schedules 1 through 4 of this report.

Also included in the report is the Office of Management and Budget A-133 Single Audit auditor reports, findings and schedules.

### **Government-Wide Financial Analysis**

The following table reflects the condensed Statement of Net Assets for 2008, with comparative figures from 2007:

City of Thibodaux Condensed Statement of Net Assets December 31, 2008 and 2007 (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and Other Assets	\$ 14.3	\$ 14.3	\$ 4.3	\$ 2.1	\$ 18.6	\$ 16.4
Restricted Assets	-	-	2.2	2.8	2.2	2.8
Capital Assets	33.0	31.3	18.3	17.5	51.3	48.8
Total Assets	47.3	45.6	24.8	22.4	72.1	68.0
Liabilities:						
Current Liabilities	1.9	2.1	2.2	0.9	4.1	3.0
Long-term Liabilities	1.0	0.4	2.5	2.7	3.5	3.1
Total Liabilities	2.9	2.5	4.7	3.6	7.6	6.1
Net Assets:						
Invested in Capital Assets Net of Debt	33.1	31.3	16.0	14.9	49.1	46.2
Restricted	2.1	1.8	1.5	2.1	3.6	3.9
Unrestricted	9.2	10.0	2.6	1.8	11.8	11.8
Total Net Assets	\$ 44.4	\$ 43.1	\$ 20.1	\$ 18.8	\$ 64.5	\$ 61.9

For more detailed information see Exhibit 1, Statement of Net Assets.

Approximately 76% of the City's net assets as of December 31, 2008 reflects the government's investment in capital assets (land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets that is still outstanding. The City government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 5.6% of the government's net assets are subject to external restrictions as to their use.

The remaining unrestricted net assets of 18.4% are available for future use as directed by the Mayor and the City Council to meet ongoing obligations of the government to citizens and creditors.

The table below provides a summary of the changes in net assets for the year ended December 31, 2008, with comparative figures from 2007:

City of Thibodaux  
Condensed Statement of Changes in Net Assets  
the Years Ended December 31, 2008 and 2007  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenue:</b>						
Program Revenue:						
Charges for services	\$ 1.5	\$ 1.3	\$ 7.6	\$ 6.7	\$ 9.1	\$ 8.0
Operating Grants and Contributions	1.5	1.5	1.3	-	2.8	1.5
Capital Grants and Contributions	1.9	3.3	0.6	3.2	2.5	6.5
General Revenues:						
Property Taxes	1.2	1.2	-	-	1.2	1.2
Sales Taxes	9.2	8.5	-	-	9.2	8.5
Other Taxes	0.8	0.8	-	-	0.8	0.8
Grants and Contributions not Restricted to Specific Programs	0.6	0.7	-	-	0.6	0.7
Other	0.4	0.7	0.1	0.2	0.5	0.9
Total Revenues	<u>17.1</u>	<u>18.0</u>	<u>9.6</u>	<u>10.1</u>	<u>26.7</u>	<u>28.1</u>

City of Thibodaux  
Condensed Statement of Changes in Net Assets  
the Years Ended December 31, 2008 and 2007  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Expenses:</b>						
General Government	2.7	3.2			2.7	3.2
Public Safety	5.1	3.9			5.1	3.9
Public Works	3.1	2.9			3.1	2.9
Health and Welfare	0.7	0.7			0.7	0.7
Economic Development and Assistance	0.2	0.2			0.2	0.2
Culture and Recreation	2.5	1.8			2.5	1.8
Waterworks, Electric & Power Plant	-	-	1.9	1.8	1.9	1.8
Gas & Sewerage	-	-	5.0	4.5	5.0	4.5
Garbage Collection	-	-	2.9	1.0	2.9	1.0
Total Expenses	<u>14.3</u>	<u>12.7</u>	<u>9.8</u>	<u>7.3</u>	<u>24.1</u>	<u>20.0</u>
 Increase (Decrease) in Net Assets Before Transfers	2.8	5.3	(0.2)	2.8	2.6	8.1
Transfers	<u>(1.5)</u>	<u>-</u>	<u>1.5</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in Net Assets	1.3	5.3	1.3	2.8	2.6	8.1
 Net Assets, January 1	<u>43.1</u>	<u>37.8</u>	<u>18.8</u>	<u>16.0</u>	<u>61.9</u>	<u>53.8</u>
Net Assets, December 31	<u>\$ 44.4</u>	<u>\$ 43.1</u>	<u>\$ 20.1</u>	<u>\$ 18.8</u>	<u>\$ 64.5</u>	<u>\$ 61.9</u>

The government's net assets increased by \$2.6 million during the current fiscal year.

*Governmental Activities* net assets increased \$1.3 million in 2008, primarily due to an increase in sales tax revenues.

*Business-Type Activities* net assets increased by \$1.3 million in 2008, primarily due to an increase in service charges, and a transfer from the General Fund.

### Financial Analysis of the Government's Funds

*Governmental Funds:* The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirement. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined fund balance of the City's governmental funds at December 31, 2008 was \$12.4 million as compared to \$12.0 million at December 31, 2007, an increase of \$0.4 million. Approximately 53% (\$6.5 million) of total fund balance constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion. The remainder (\$5.9 million) of fund balance is reserved and/or unreserved designated to indicate that it is not available for new spending because it has already been committed to subsequent year's expenditures.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved, undesignated fund balance of the General Fund was approximately \$4.6 million, while the total fund balance reached \$10.3 million. Compared with the total fund balance of \$10.2 million at the end of 2007, the fund balance increased by approximately \$0.1 million.

Other major funds, including the Grant Fund and Capital Project Fund had a net increase in the fund balances of \$0.2 million.

*Proprietary Funds:* The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Municipal Waterworks Fund of the City had unrestricted net assets of \$1.4 million at December 31, 2008. The Municipal Waterworks Fund is used to account for water services to all areas of the City. This fund encompasses all assets associated with potable water production and distribution. This fund ended the year with \$0.2 million dollar operating income. Investment in capital assets at the end of the current fiscal year totaled \$7.0 million.

The Municipal Gas & Sewerage System Fund of the City had unrestricted net assets of \$1.0 million at December 31, 2008. This fund encompasses all assets associated with sewerage and natural gas operations, maintenance and capital improvements held by the City. The Gas System ended the year with a \$0.5 million operating loss while the Sewerage System ended with a \$0.1 million operating loss for a combined operating loss at year-end of \$0.6 million. Investment in capital assets at the end of the current fiscal year totaled \$9.1 million.

The Garbage Collection Fund had \$0.2 million in unrestricted net assets at December 31, 2008. This fund encompasses all assets associated with garbage collection. The fund ended the year with an operating loss of \$1.8 million. Investment in capital assets at the end of the current fiscal year totaled approximately \$1,000.

### **General Fund Budgetary Highlights**

The major difference between the original General Fund budget and the final amended General Fund budget were increases in anticipated revenues from FEMA and FAA grants for hurricane relief and expansion of the airport runway.

Material differences between actual results and budgeted amounts in the General Fund are as follows:

- Sales and Use Taxes had a favorable collection variance of \$1,180,201, which will be used for unforeseen future or non-recurring expenditures.
- Entergy Franchise Fee had a favorable variance of \$61,285.
- Interest earned had a favorable collection variance of \$47,179.
- Business and Occupational Licenses had a favorable collection variance of \$64,421.
- Transfers out to Garbage Collection Fund had an unfavorable variance of \$252,302.
- Transfers out to Gas and Sewer Fund had a favorable variance of \$395,048.
- Transfers out to Internal Service Fund had a favorable variance of \$681,209.
- Public Safety – City Police – personal services expenditures had a favorable variance of \$750,375 due to turnover of employees during the year.

### **Capital Asset and Debt Administration**

**Capital Assets:** The City of Thibodaux's investment in capital assets for its governmental and business-type activities as of December 31, 2008, amounts to \$51.3 million (net of accumulated depreciation). This investment in capital assets includes infrastructure, buildings and improvements, furnishings and equipment, gas and water utility systems, sewer system facilities, roads, highways and drainage systems. The total increase in the City's investment in capital assets (net of depreciation) for the current fiscal year was \$2.5 million, a 6% increase for governmental activities and a 5% increase for business-type activities.

Major capital asset events during the current fiscal year included the following:

• Airport Access Road	\$ 432,250
• East Thibodaux Sewer Force Main	\$ 76,268
• Talbot Avenue Sewer Line	\$ 748,391
• 2007 CDBG -North Thibodaux Drainage Improvements	\$ 102,259
• Sewer Plant Office / Locker Room	\$ 129,686
• Disinfection Unit at Wastewater Treatment Plant	\$ 328,173
• Blake Court Drainage Improvements	\$ 311,531
• Menard Street Drainage Improvements	\$ 364,112
• Rienzi Village Town home, streets, street lights, drainage	\$ 163,735
• Rienzi Village Town home, water lines, sewer, gas	\$ 86,650
• Sucre Estates, street lights, drainage	\$ 225,119
• Sucre Estates, water lines, sewer, gas	\$ 250,433
• Acadia Plantation, Phase I, water lines, sewer, gas	\$ 81,409
• North Acadia Road Ext./Acadia Woods Drive, streets, street lights, drainage, sidewalk	\$ 287,367
• Acadia Plantation, Drainage, streets, drainage, sidewalk	\$ 626,876
• Acadia Plantation, Drainage, sewer lines	\$ 2,684
• Police Vehicles	\$ 595,703

City of Thibodaux  
Capital Assets  
(Net of Depreciation)  
December 31, 2008 and 2007  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 3.8	\$ 3.8	\$ 0.3	\$ 0.3	\$ 4.1	\$ 4.1
Buildings & Improvements	4.1	4.3	-	-	4.1	4.3
Infrastructure	19.2	19.0	-	-	19.2	19.0
Furnishings & Equipment	2.1	1.7	-	-	2.1	1.7
Water Production & Distribution System	-	-	6.9	7.2	6.9	7.2
Sewer System & Equipment	-	-	6.5	5.6	6.5	5.6
Gas Distribution System	-	-	4.2	4.3	4.2	4.3
Construction in progress	3.8	2.5	0.4	0.1	4.2	2.6
Total	<u>\$ 33.0</u>	<u>\$ 31.3</u>	<u>\$ 18.3</u>	<u>\$ 17.5</u>	<u>\$ 51.3</u>	<u>\$ 48.8</u>

Additional information on the City's capital assets can be found in Note 8, Exhibit 12 of this report.

**Long-term Debt:** At the end of the current fiscal year, the City had total bonded debt outstanding of \$2.3 million.

City of Thibodaux  
Summary of Outstanding Debt at Year-end  
December 31, 2008 and 2007  
(in millions)

	Business-type Activities	
	2008	2007
Utilities Revenue Refunding Bonds Series 1996	\$ 1.0	\$ 1.2
Utilities Revenue Bond Series 1997	1.3	1.4
Total Outstanding	<u>\$ 2.3</u>	<u>\$ 2.6</u>

The bond issues are serviced by user fees assessed for sewer collection and treatment. The revenue bond issues are backed by the full faith and credit of the City.



## **Economic Factors and Next Year's Budget and Rates**

- The budget planning began with the assumption that some of our revenues would produce little or no growth. In the years past, these revenues have shown significant highs and lows. With this in mind, it has been our practice to budget no increase for these proceeds.
- Sales Tax collections support the operations of the General Fund and the Capital Projects Fund. The City experienced a 7.4% growth in sales tax collections from 2007 to 2008. For prudent planning, the City budgeted no change in 2009 collections as compared to the 2008 estimated projections.
- Ad Valorem taxes are proposed at no growth for 2009.
- An increase in the monthly garbage collection fee from \$16.96 to \$16.98 was enacted in February 2009, due to the annual CPI adjustment made in conjunction with the SWDI contract.
- Water rates were increased in December 2008 from \$3.42 per 1,000 gallons to a tiered rate based on usage with a minimum charge of \$3.93 per 1,000 gallons due to a 15% CPI increase for January and February 2009. Water rates were decreased in March 2009 from \$3.93 to \$3.64 per 1,000 gallons due to a 6.3% CPI decrease.
- Sewer rates were increased in December 2008 from \$2.05 to \$2.36 with a minimum charge of \$3.42 per 1,000 gallons due to a 15% CPI increase for January and February 2009. Sewer rates were decreased in March 2009 from \$2.36 to 2.18 per 1,000 gallons due to a 6.3% CPI decrease.
- The minimum gas rate charge was increased in December 2008 from \$3.00 to \$3.28 due to a 6.9% CPI increase.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Thibodaux's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Council Administrator, P. O. Box 5418, Thibodaux, La. 70302. General information relating to the City can be found at the City website, [www.ci.thibodaux.la.us](http://www.ci.thibodaux.la.us).

**STATEMENT OF NET ASSETS****City of Thibodaux**

December 31, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,251,199	\$ 2,028,623	\$ 6,279,822
Investments	6,684,899	-	6,684,899
Receivables (net)	645,102	895,002	1,540,104
Internal balances	32,834	(32,834)	-
Due from other governmental units	2,592,454	1,386,881	3,979,335
Restricted assets:			
Cash and cash equivalents	-	623,999	623,999
Investments	-	1,537,180	1,537,180
Capital assets:			
Non-depreciable	7,608,788	733,365	8,342,153
Depreciable, net	25,435,449	17,565,243	43,000,692
Total assets	47,250,725	24,737,459	71,988,184
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	1,729,834	1,783,332	3,513,166
Accrued interest payable	-	29,027	29,027
Unearned revenue	130,000	-	130,000
Liabilities payable from restricted assets	-	323,204	323,204
Non-current liabilities:			
Due within one year	179,822	380,537	560,359
Due in more than one year	832,200	2,100,375	2,932,575
Total liabilities	2,871,856	4,616,475	7,488,331
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	33,044,237	16,018,608	49,062,845
Restricted for:			
Street and drainage projects	743,567	-	743,567
Debt service	-	1,469,009	1,469,009
Other purposes	1,373,559	-	1,373,559
Unrestricted	9,217,506	2,633,367	11,850,873
Total net assets	\$ 44,378,869	\$ 20,120,984	\$ 64,499,853

See notes to financial statements.

# STATEMENT OF ACTIVITIES

City of Thibodaux

For the year ended December 31, 2008

	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			Capital Grants and Contributions
General government	\$ 2,693,547		\$ 31,790
Public safety	5,122,245	\$ 123,906	278,734
Public works	3,093,081	-	64,909
Health and welfare	712,258	158,475	890,791
Economic development and assistance	167,697	880,708	59,686
Culture and recreation	2,551,796	300,462	146,086
Total governmental activities	14,340,624	1,463,551	1,471,996
Business-type activities:			
Waterworks	1,915,549	2,122,538	28,968
Gas & Sewerage	5,000,288	4,345,516	65,013
Garbage Collection	2,917,515	1,114,443	1,278,755
Total business-type activities	9,833,352	7,582,497	1,372,736
Totals	\$ 24,173,976	\$ 9,046,048	\$ 2,844,732
General revenues:			
Taxes:			
Property			
Sales taxes			
Franchise taxes			
Lafourch Parish recreation tax			
Grants and contributions not restricted to specific programs			
Unrestricted investment earnings			
Miscellaneous			
Transfers (to) from other funds			
Total general revenues			
Change in net assets			
Net assets - beginning			
Net assets - ending			

See notes to financial statements.

Net (Expense) Revenue and Change in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (2,661,757)		\$ (2,661,757)
(4,714,935)		(4,714,935)
(1,584,187)		(1,584,187)
337,008		337,008
1,219,667		1,219,667
<u>(2,091,607)</u>		<u>(2,091,607)</u>
<u>(9,495,811)</u>		<u>(9,495,811)</u>
	\$ 380,512	380,512
	(153,238)	(153,238)
	<u>(524,317)</u>	<u>(524,317)</u>
	<u>(297,043)</u>	<u>(297,043)</u>
<u>(9,495,811)</u>	<u>(297,043)</u>	<u>(9,792,854)</u>
1,241,990	-	1,241,990
9,180,201	-	9,180,201
668,617	-	668,617
107,205	-	107,205
643,466	-	643,466
267,351	108,080	375,431
180,947	-	180,947
<u>(1,490,254)</u>	<u>1,490,254</u>	<u>-</u>
<u>10,799,523</u>	<u>1,598,334</u>	<u>12,397,857</u>
1,303,712	1,301,291	2,605,003
<u>43,075,157</u>	<u>18,819,693</u>	<u>61,894,850</u>
<u>\$ 44,378,869</u>	<u>\$ 20,120,984</u>	<u>\$ 64,499,853</u>

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

**City of Thibodaux**

December 31, 2008

	<u>General Fund</u>	<u>Grant Fund</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,530,700	\$ 733,049
Investments	6,470,535	-
Receivables (net, where applicable of allowances for uncollectibles):		
Property taxes	97,123	-
Other	311,124	-
Due from other funds	-	-
Due from other governmental units	<u>2,419,840</u>	<u>120,414</u>
<b>Total assets</b>	<u><u>\$ 11,829,322</u></u>	<u><u>\$ 853,463</u></u>
<b>Liabilities</b>		
Accounts payable and accrued expenditures	\$ 752,963	\$ 10,691
Contracts and retainage payable	375,775	85,808
Due to other funds	80,527	2,985
Deferred revenues	130,000	-
Compensated absences payable	<u>173,526</u>	<u>6,296</u>
<b>Total liabilities</b>	<u>1,512,791</u>	<u>105,780</u>
<b>Fund Balances</b>		
Unreserved, designated for:		
Subsequent years' expenditures	5,698,471	10,392
Unreserved, reported in:		
General Fund	4,618,060	-
Special Revenue Funds	-	737,291
Capital Projects Fund	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>10,316,531</u>	<u>747,683</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 11,829,322</u></u>	<u><u>\$ 853,463</u></u>

See notes to financial statements.

Exhibit 3

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 9,439	\$ 978,011	\$ 4,251,199
-	214,364	6,684,899
-	175,682	272,805
-	250	311,374
116,346	-	116,346
35,536	16,664	2,592,454
<u>\$ 161,321</u>	<u>\$ 1,384,971</u>	<u>\$ 14,229,077</u>
\$ 45,869	\$ 8,877	\$ 818,400
113,506	9,534	584,623
-	-	83,512
-	-	130,000
-	-	179,822
<u>159,375</u>	<u>18,411</u>	<u>1,796,357</u>
-	179,850	5,888,713
-	-	4,618,060
-	1,186,710	1,924,001
1,946	-	1,946
<u>1,946</u>	<u>1,366,560</u>	<u>12,432,720</u>
<u>\$ 161,321</u>	<u>\$ 1,384,971</u>	<u>\$ 14,229,077</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS**

City of Thibodaux

December 31, 2008

**Fund Balances - Governmental Funds** **\$ 12,432,720**

Amounts reported for governmental activities in the statement of  
net assets are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 49,532,112	
Accumulated depreciation	<u>(16,487,875)</u>	33,044,237

Other assets used in governmental activities are not financial resources  
and, therefore, are not reported in governmental funds.

Accrued interest receivable		60,923
-----------------------------	--	--------

Long-term liabilities are not due and payable  
in the current period and therefore are not reported in the governmental  
funds.

Compensated absences payable	\$ (199,508)	
Other postemployment benefit obligations	<u>(632,692)</u>	(832,200)

Internal service funds are used by management to charge the costs  
of certain activities, such as insurance functions, to individual funds.  
The assets and liabilities of certain internal service funds are included  
in governmental activities in the statement of net assets.

(326,811)

**Net Assets of Governmental Activities** **\$ 44,378,869**

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**City of Thibodaux**

For the year ended December 31, 2008

	<u>General Fund</u>	<u>Grant Fund</u>
<b>Revenues</b>		
Taxes	\$ 10,289,130	
Licenses and permits	1,039,183	
Intergovernmental	1,550,601	\$ 1,031,777
Charges for services	286,246	-
Fines and forfeitures	110,679	-
Miscellaneous	600,899	11,293
	<u>13,876,738</u>	<u>1,043,070</u>
<b>Total revenues</b>		
	<u>13,876,738</u>	<u>1,043,070</u>
<b>Expenditures</b>		
Current:		
General government	2,316,577	-
Public safety	4,533,186	-
Public works	1,670,671	-
Health and welfare	-	711,235
Economic development and assistance	45,005	60,582
Culture and recreation	2,169,511	-
Capital outlay	1,520,423	92,725
	<u>12,255,373</u>	<u>864,542</u>
<b>Total expenditures</b>		
	<u>12,255,373</u>	<u>864,542</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,621,365</u>	<u>178,528</u>
<b>Other Financing Sources (Uses)</b>		
Proceeds of general capital assets dispositions	3,168	-
Insurance recovery	38,588	-
Operating transfers in	554,579	-
Operating transfers out	(2,108,503)	-
	<u>(1,512,168)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>		
	<u>(1,512,168)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	109,197	178,528
<b>Fund Balances</b>		
Beginning of year	10,207,334	569,155
	<u>10,207,334</u>	<u>569,155</u>
End of year	\$ 10,316,531	\$ 747,683
	<u>\$ 10,316,531</u>	<u>\$ 747,683</u>

See notes to financial statements.



Exhibit 5

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	\$ 801,678	\$ 11,090,808
	-	1,039,183
\$ 150,420	32,898	2,765,696
-	-	286,246
-	-	110,679
2,021	20,969	635,182
<u>152,441</u>	<u>855,545</u>	<u>15,927,794</u>
63,243	-	2,379,820
-	7,372	4,540,558
-	112,642	1,783,313
-	-	711,235
-	-	105,587
-	-	2,169,511
690,093	21,978	2,325,219
<u>753,336</u>	<u>141,992</u>	<u>14,015,243</u>
(600,895)	713,553	1,912,551
-	-	3,168
-	-	38,588
598,752	-	1,153,331
-	(554,579)	(2,663,082)
<u>598,752</u>	<u>(554,579)</u>	<u>(1,467,995)</u>
(2,143)	158,974	444,556
<u>4,089</u>	<u>1,207,586</u>	<u>11,988,164</u>
<u>\$ 1,946</u>	<u>\$ 1,366,560</u>	<u>\$ 12,432,720</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**City of Thibodaux**

For the year ended December 31, 2008

Net Change in Fund Balances - Total Governmental Funds \$ 444,556

Amounts reported for governmental activities in the statement activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 2,325,219	
Depreciation expense	<u>(1,838,331)</u>	486,888

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and donations, is to increase net assets.		1,257,382
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Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.		
Interest revenue		(55,391)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Increase in compensated absences payable due in more than one year	\$ (47,576)	
Increase in other postemployment benefits	<u>(632,692)</u>	(680,268)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net expense of the internal service funds is reported with governmental activities.		<u>(149,455)</u>
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Change in Net Assets of Governmental Activities		<u>\$ 1,303,712</u>
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See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

City of Thibodaux

For the year ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ 433,080	\$ 433,080	\$ 440,312	\$ 7,232
Sales and use	8,000,000	8,000,000	9,180,201	1,180,201
Franchise:				
Entergy franchise	300,000	300,000	361,285	61,285
Cable TV franchise	180,000	180,000	172,371	(7,629)
Telephone franchise	87,000	87,000	86,559	(441)
Bell South Mobility	9,155	9,155	9,155	-
Crown Communications	10,013	10,013	9,628	(385)
Nextel Communications	17,599	17,599	16,852	(747)
Voice Stream, Inc.	14,702	14,702	12,767	(1,935)
	<u>9,051,549</u>	<u>9,051,549</u>	<u>10,289,130</u>	<u>1,237,581</u>
Licenses and permits:				
Business and occupational licenses	720,000	762,756	827,177	64,421
Beer and liquor permits	11,000	11,000	11,785	785
Building permits	20,000	67,914	69,466	1,552
Plumbing licenses	500	1,480	3,380	1,900
Chain store licenses	18,500	18,500	20,730	2,230
Electrical licenses	5,000	6,400	9,700	3,300
Mechanical licenses	-	-	1,080	1,080
Zoning permits	50	50	-	(50)
Bartender permits	2,000	2,000	1,340	(660)
Mechanical permits	-	500	1,741	1,241
Electrical permits	50,000	77,007	81,523	4,516
Plumbing permits	4,000	4,900	6,376	1,476
Zoning variance application fee	1,000	1,080	1,110	30
Subdivision construction fees	3,000	3,525	3,775	250
	<u>835,050</u>	<u>957,112</u>	<u>1,039,183</u>	<u>82,071</u>
Intergovernmental:				
Federal Government:				
Airport Runway Grant	-	338,447	336,533	(1,914)
Bullet Proof Vest Grant	-	3,769	3,769	-
FEMA - Hurricane Katrina	-	710,546	-	(710,546)
FEMA - Hurricane Gustav	-	297,094	107,707	(189,387)
HMPG Wind Retrofit Grant	-	45,667	-	(45,667)
State of Louisiana:				
Beer tax	40,000	40,000	42,603	2,603
Tobacco tax	21,000	21,000	-	(21,000)
Video poker	600,000	600,000	586,216	(13,784)
Off track betting	17,000	17,000	14,647	(2,353)
State Fire Insurance	54,000	54,643	54,642	(1)
Alcohol Awareness Program	10,000	10,000	9,350	(650)
Supplemental pay	295,800	295,800	195,310	(100,490)
DOTD Airport Safety Program	-	6,895	-	(6,895)
DOTD Litter Maintenance Grant	13,900	13,900	13,100	(800)
Walking Path Improvements	18,383	13,641	13,641	-
TPIJ Mettler Equipment	-	901	901	-
Airport Maintenance Reimbursement	-	-	940	940
Louisiana Airport Runway Grant	-	20,658	17,712	(2,946)
Louisiana Retirement Development Grant	5,000	15,000	15,000	-
Louisiana GOHSEP Construction Code	-	20,125	19,125	(1,000)
Louisiana Local Government Assistance Program	-	10,200	10,200	-
Prime Time Reading Program	-	2,000	2,000	-
HMPG Wind Retrofit Grant	-	45,667	-	(45,667)
Other local governmental units:				
Lafourche Parish Recreation Tax	107,205	107,205	107,205	-
	<u>1,182,288</u>	<u>2,690,158</u>	<u>1,550,601</u>	<u>(1,139,557)</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

City of Thibodaux

For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues (Continued)</b>				
Charges for services:				
Warren J. Harang Jr Municipal Auditorium	\$ 92,000	\$ 133,300	\$ 138,713	\$ 5,413
Police reports	9,000	11,690	13,227	1,537
Maps - photostats	50	50	28	(22)
Municipal pool fees	30,000	34,009	34,079	70
Recreation fees collected	51,800	67,150	68,248	1,098
Sponsor fees collected	25,000	28,550	27,051	(1,499)
Park concessions	2,000	4,871	4,900	29
	<u>209,850</u>	<u>279,620</u>	<u>286,246</u>	<u>6,626</u>
Fines and forfeitures:				
General court fines	100,000	100,000	110,679	10,679
Miscellaneous:				
Interest earned	244,000	268,878	316,057	47,179
Lorio Foundation	192,200	61,000	61,000	-
Discounts earned - S/C	15	45	42	(3)
Donations to police department	-	-	141	141
Thibodaux Civic Center Development Corporation	-	38,955	38,955	-
Williams Company	-	150	150	-
Housing Authority - in lieu of taxes	20,000	20,000	38,774	18,774
Gain on sale of investments	-	37,079	40,290	3,211
Rentals:				
Recreation parks rental	20,000	26,546	27,471	925
Royalties	8,000	8,000	7,279	(721)
Other miscellaneous	28,500	81,710	70,740	(10,970)
	<u>512,715</u>	<u>542,363</u>	<u>600,899</u>	<u>58,536</u>
<b>Total revenues</b>	<u>11,891,452</u>	<u>13,620,802</u>	<u>13,876,738</u>	<u>255,936</u>
<b>Expenditures</b>				
<b>GENERAL GOVERNMENT</b>				
General Administration				
Current:				
Personal services	10,772	10,772	6,590	4,182
Operating supplies	73,750	70,391	18,133	52,258
Equipment expenditures	47,680	64,667	60,762	3,905
Building expenditures	97,590	108,431	110,168	(1,737)
Outside services	44,378	58,723	43,304	15,419
General operating	253,285	243,885	99,836	144,049
General administrative	8,430	21,765	12,676	9,089
	<u>535,885</u>	<u>578,634</u>	<u>351,469</u>	<u>227,165</u>
Capital outlay	200,000	59,423	-	59,423
	<u>735,885</u>	<u>638,057</u>	<u>351,469</u>	<u>286,588</u>
Finance Administration				
Current:				
Personal services	378,123	380,123	355,293	24,830
Operating supplies	26,600	26,555	13,250	13,305
Equipment expenditures	5,500	5,500	3,980	1,520
Building expenditures	7,900	7,900	8,510	(610)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

City of Thibodaux

For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued)</b>				
<b>GENERAL GOVERNMENT (Continued)</b>				
Finance Administration (continued)				
Current:				
Outside services	\$ 5,268	\$ 5,268	\$ 2,351	\$ 2,917
General operating	86,353	88,853	117,409	(28,556)
General administrative	6,170	6,215	3,844	2,371
	<u>515,914</u>	<u>520,414</u>	<u>504,637</u>	<u>15,777</u>
Capital outlay	10,000	10,000	-	10,000
	<u>525,914</u>	<u>530,414</u>	<u>504,637</u>	<u>25,777</u>
Grants				
Current:				
Personal services	72,349	72,349	70,432	1,917
Operating supplies	3,800	4,686	4,132	554
Equipment expenditures	2,770	3,470	3,177	293
Building expenditures	1,660	1,660	1,311	349
Outside services	2,008	1,427	60	1,367
General operating	12,455	12,535	8,465	4,070
General administrative	119,590	124,505	69,147	55,358
	<u>214,632</u>	<u>220,632</u>	<u>156,724</u>	<u>63,908</u>
Civil Service				
Current:				
Personal services	85,597	85,597	83,752	1,845
Operating supplies	4,780	4,780	2,348	2,432
Equipment expenditures	1,565	1,565	1,526	39
Building expenditures	1,660	1,660	1,375	285
Outside services	6,552	6,552	1,174	5,378
General operating	6,473	6,473	4,322	2,151
General administrative	960	960	294	666
	<u>107,587</u>	<u>107,587</u>	<u>94,791</u>	<u>12,796</u>
City Clerk				
Current:				
Personal services	211,428	225,045	170,271	54,774
Operating supplies	13,400	13,400	3,568	9,832
Equipment expenditures	8,540	8,459	7,079	1,380
Building expenditures	3,730	3,730	3,306	424
Outside services	58,932	58,932	53,980	4,952
General operating	45,567	34,958	47,821	(12,863)
General administrative	18,700	15,773	2,763	13,010
	<u>360,297</u>	<u>360,297</u>	<u>288,788</u>	<u>71,509</u>
Capital outlay	7,500	7,500	-	7,500
	<u>367,797</u>	<u>367,797</u>	<u>288,788</u>	<u>79,009</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

City of Thibodaux

For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued)</b>				
<b>GENERAL GOVERNMENT (Continued)</b>				
Office of the Mayor				
Current:				
Personal services	\$ 230,794	\$ 231,207	\$ 225,133	\$ 6,074
Operating supplies	10,350	10,350	3,992	6,358
Equipment expenditures	4,350	4,850	3,717	1,133
Building expenditures	6,200	6,200	3,862	2,338
Outside services	14,990	14,990	452	14,538
General operating	14,221	14,310	10,898	3,412
General administrative	28,600	27,598	14,094	13,504
	<u>309,505</u>	<u>309,505</u>	<u>262,148</u>	<u>47,357</u>
City Attorney's Office				
Current:				
Personal services	87,089	87,089	85,650	1,439
Operating supplies	5,270	5,370	2,970	2,400
Building expenditures	220	220	218	2
Outside services	720	720	120	600
General operating	6,091	5,991	4,213	1,778
General administrative	500	500	262	238
	<u>99,890</u>	<u>99,890</u>	<u>93,433</u>	<u>6,457</u>
City Court				
Current:				
Personal services	307,762	307,762	297,943	9,819
Operating supplies	13,500	13,500	8,129	5,371
Equipment expenditures	4,540	4,540	1,992	2,548
Building expenditures	5,280	5,280	4,837	443
Outside services	8,390	8,390	6,453	1,937
General operating	21,844	21,844	19,065	2,779
General administrative	15,000	15,000	11,556	3,444
	<u>376,316</u>	<u>376,316</u>	<u>349,975</u>	<u>26,341</u>
Human Resources				
Current:				
Personal services	79,406	79,406	77,975	1,431
Operating supplies	22,400	23,400	7,234	16,166
Equipment expenditures	1,170	1,170	1,164	6
Building expenditures	1,680	1,910	2,127	(217)
Outside services	3,396	3,166	606	2,560
General operating	15,320	14,042	5,203	8,839
General administrative	15,160	15,438	11,705	3,733
	<u>138,532</u>	<u>138,532</u>	<u>106,014</u>	<u>32,518</u>
Information Technology				
Current:				
Personal services	95,549	95,549	91,565	3,984
Operating supplies	13,390	13,330	8,514	4,816
Equipment expenditures	1,730	1,790	1,289	501
Building expenditures	2,030	2,030	1,900	130
Outside services	3,456	3,456	234	3,222
General operating	-	730	729	1
General administrative	11,250	10,520	4,367	6,153
	<u>127,405</u>	<u>127,405</u>	<u>108,598</u>	<u>18,807</u>
Total General Government				
Current	2,785,963	2,839,212	2,316,577	522,635
Capital outlay	217,500	76,923	-	76,923
	<u>3,003,463</u>	<u>2,916,135</u>	<u>2,316,577</u>	<u>599,558</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

City of Thibodaux

For the year ended December 31, 2008

Expenditures (Continued)	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>PUBLIC SAFETY</b>				
City Police				
Current:				
Personal services	\$ 3,644,819	\$ 3,700,421	\$ 2,950,046	\$ 750,375
Operating supplies	202,170	391,304	323,867	67,437
Equipment expenditures	172,880	202,224	194,312	7,912
Building expenditures	37,500	37,500	37,613	(113)
Outside services	55,960	53,360	15,638	37,722
General operating	274,268	216,251	223,378	(7,127)
General administrative	73,400	65,141	43,236	21,905
	4,460,997	4,666,201	3,788,090	878,111
Capital outlay	287,200	768,230	601,311	166,919
	4,748,197	5,434,431	4,389,401	1,045,030
Fire Prevention				
Current:				
Personal services	17,000	17,000	12,996	4,004
Operating supplies	100,000	14,317	11,888	2,429
Equipment expenditures	4,000	4,000	4,000	-
Building expenditures	76,040	76,040	83,558	(7,518)
General operating	20,000	20,000	19,602	398
General administrative	614,000	618,684	613,052	5,632
	831,040	750,041	745,096	4,945
Capital outlay	-	86,220	86,155	65
	831,040	836,261	831,251	5,010
Total Public Safety				
Current	5,292,037	5,416,242	4,533,186	883,056
Capital outlay	287,200	854,450	687,466	166,984
	5,579,237	6,270,692	5,220,652	1,050,040
<b>PUBLIC WORKS</b>				
Streets and Drainage				
Current:				
Personal services	1,137,368	1,110,769	1,021,996	88,773
Operating supplies	45,290	38,702	27,045	11,657
Equipment expenditures	60,260	104,014	77,644	26,370
Building expenditures	6,540	7,860	8,495	(635)
Outside services	120,838	121,352	116,591	4,761
General operating	351,463	370,227	411,377	(41,150)
General administrative	17,180	15,613	7,523	8,090
	1,738,939	1,768,537	1,670,671	97,866
Capital outlay	51,000	69,965	18,915	51,050
Total Public Works	1,789,939	1,838,502	1,689,586	148,916
<b>ECONOMIC DEVELOPMENT AND ASSISTANCE</b>				
Airport Commission				
Current:				
Operating supplies	550	550	190	360
Equipment expenditures	1,500	1,500	697	803
Building expenditures	2,810	2,810	2,185	625
Outside services	27,800	27,800	27,794	6
General operating	14,387	15,765	14,139	1,626
	47,047	48,425	45,005	3,420
Capital outlay	-	439,145	432,250	6,895
Total Economic Development and Assistance	47,047	487,570	477,255	10,315

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

City of Thibodaux

For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued)</b>				
<b>CULTURE AND RECREATION</b>				
Recreation				
Current:				
Personal services	\$ 270,610	\$ 280,181	\$ 267,022	\$ 13,159
Operating supplies	58,370	50,902	15,796	35,106
Equipment expenditures	8,680	9,998	7,497	2,501
Building expenditures	20,630	19,675	14,839	4,836
Outside services	2,018	11,546	10,021	1,525
General operating	88,556	131,625	121,537	10,088
General administrative	4,280	4,766	3,623	1,143
	<u>453,144</u>	<u>508,693</u>	<u>440,335</u>	<u>68,358</u>
Capital outlay	70,000	70,000	70,000	-
	<u>523,144</u>	<u>578,693</u>	<u>510,335</u>	<u>68,358</u>
 Warren J. Harang Jr Municipal Auditorium				
Current:				
Personal services	211,287	232,795	200,650	32,145
Operating supplies	113,960	112,610	76,728	35,882
Equipment expenditures	30,630	31,374	28,650	2,724
Building expenditures	265,560	264,866	169,649	95,217
Outside services	6,240	12,113	8,749	3,364
General operating	106,452	343,977	297,908	46,069
General administrative	9,500	7,316	2,469	4,847
	<u>743,629</u>	<u>1,005,051</u>	<u>784,803</u>	<u>220,248</u>
Capital outlay	980,000	331,995	193,737	138,258
	<u>1,723,629</u>	<u>1,337,046</u>	<u>978,540</u>	<u>358,506</u>
 Parks				
Current:				
Personal services	539,094	547,923	470,025	77,898
Operating supplies	280,650	205,911	212,242	(6,331)
Equipment expenditures	60,590	61,890	43,920	17,970
Building expenditures	76,050	92,570	86,795	5,775
Outside services	18,474	21,732	18,651	3,081
General operating	124,742	85,624	62,971	22,653
General administrative	42,860	50,566	49,769	797
	<u>1,142,460</u>	<u>1,066,216</u>	<u>944,373</u>	<u>121,843</u>
Capital outlay	431,766	229,908	118,055	111,853
	<u>1,574,226</u>	<u>1,296,124</u>	<u>1,062,428</u>	<u>233,696</u>
 Total Culture and Recreation				
Current	2,339,233	2,579,960	2,169,511	410,449
Capital outlay	1,481,766	631,903	381,792	250,111
	<u>3,820,999</u>	<u>3,211,863</u>	<u>2,551,303</u>	<u>660,560</u>
 Total expenditures by function				
Current	12,203,219	12,652,376	10,734,950	1,917,426
Capital outlay	2,037,466	2,072,386	1,520,423	551,963
	<u>14,240,685</u>	<u>14,724,762</u>	<u>12,255,373</u>	<u>2,469,389</u>
 Excess (deficiency) of revenues over expenditures	<u>(2,349,233)</u>	<u>(1,103,960)</u>	<u>1,621,365</u>	<u>2,725,325</u>



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

City of Thibodaux

For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Proceeds of general capital assets dispositions	\$ -	\$ 3,168	\$ 3,168	\$ -
Insurance recovery	-	-	38,588	38,588
Operating transfers in:				
Fire Department Fund	550,000	554,579	554,579	-
Operating transfers out:				
Capital Projects Fund	(2,936,250)	(667,931)	(598,752)	69,179
Garbage Collection Fund	-	(133,000)	(385,302)	(252,302)
Municipal Gas and Sewer System Fund	-	(1,500,000)	(1,104,952)	395,048
Internal Service Fund	(152,020)	(700,706)	(19,497)	681,209
Total operating transfers out	(3,088,270)	(3,001,637)	(2,108,503)	893,134
Total other financing sources (uses)	(2,538,270)	(2,443,890)	(1,512,168)	931,722
<b>Net Change in Fund Balance</b>	<b>(4,887,503)</b>	<b>(3,547,850)</b>	<b>109,197</b>	<b>3,657,047</b>
<b>Fund Balance</b>				
Beginning of year	6,338,561	10,207,334	10,207,334	-
End of year	\$ 1,451,058	\$ 6,659,484	\$ 10,316,531	\$ 3,657,047

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GRANT FUND**

**City of Thibodaux**

For the year ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$ 1,080,915	\$ 1,067,370	\$ 1,031,777	\$ (35,593)
Miscellaneous -				
Interest earned	17,500	12,300	11,293	(1,007)
Total revenues	1,098,415	1,079,670	1,043,070	(36,600)
<b>Expenditures</b>				
Health and welfare				
Current:				
Housing assistance payments	600,000	608,671	593,980	14,691
Personal services	90,225	90,225	91,176	(951)
Operating supplies	7,200	7,085	5,437	1,648
Equipment expenditures	5,572	5,687	5,561	126
Building expenditures	1,722	1,722	1,410	312
Outside services	8,616	8,616	8,139	477
General operating	950	787	3,661	(2,874)
General administration	2,800	2,963	1,871	1,092
Total health and welfare	717,085	725,756	711,235	14,521
Economic development and assistance				
Current:				
Personal services	73,571	73,570	58,039	15,531
Operating supplies	2,350	2,350	378	1,972
Building expenditures	300	300	194	106
Outside services	294	618	488	130
General operating	800	1,089	1,208	(119)
General administrative	1,600	1,600	275	1,325
	78,915	79,527	60,582	18,945
Capital outlay	178,000	178,969	92,725	86,244
Total economic development and assistance	256,915	258,496	153,307	105,189
Total expenditures:				
Current	796,000	805,283	771,817	33,466
Capital outlay	178,000	178,969	92,725	86,244
	974,000	984,252	864,542	119,710
<b>Net Change in Fund Balance</b>	124,415	95,418	178,528	83,110
<b>Fund Balance</b>				
Beginning of year	483,920	569,155	569,155	-
End of year	\$ 608,335	\$ 664,573	\$ 747,683	\$ 83,110

See notes to financial statements.

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**

City of Thibodaux

December 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Municipal Waterworks Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Total	
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents	\$ 1,330,630	\$ 673,928	\$ 24,065	\$ 2,028,623	\$ -
Receivables (net, where applicable of uncollectibles) - accounts:					
Unbilled service charges	134,866	304,149	67,510	506,525	-
Customers	87,677	222,998	61,190	371,865	-
Accrued interest	1,445	15,167	-	16,612	-
Due from other governments	28,968	79,158	1,278,755	1,386,881	-
<b>Total current assets</b>	<b>1,583,586</b>	<b>1,295,400</b>	<b>1,431,520</b>	<b>4,310,506</b>	<b>-</b>
<b>Restricted</b>					
Cash and cash equivalents	80,612	543,387	-	623,999	-
Investments	124,441	1,412,739	-	1,537,180	-
<b>Total restricted assets</b>	<b>205,053</b>	<b>1,956,126</b>	<b>-</b>	<b>2,161,179</b>	<b>-</b>
<b>Capital Assets</b>					
Land	31,896	245,438	-	277,334	-
Plant and equipment	11,765,226	22,418,224	19,928	34,203,378	-
<b>Total capital assets</b>	<b>11,797,122</b>	<b>22,663,662</b>	<b>19,928</b>	<b>34,480,712</b>	<b>-</b>
Less accumulated depreciation	(4,841,824)	(11,321,349)	(18,931)	(16,182,104)	-
<b>Net capital assets</b>	<b>6,955,298</b>	<b>11,342,313</b>	<b>997</b>	<b>18,298,608</b>	<b>-</b>
<b>Total assets</b>	<b>8,743,937</b>	<b>14,593,839</b>	<b>1,432,517</b>	<b>24,770,293</b>	<b>-</b>

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**

City of Thibodaux

December 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Municipal Waterworks Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Total	
<b>LIABILITIES</b>					
<b>Current</b>					
Payable from current assets:					
Accounts payable and accrued expenses	\$ 76,761	\$ 395,384	\$ 1,249,875	\$ 1,722,020	\$ 326,811
Contracts payable	-	28,697	-	28,697	-
Retainage payable	-	32,615	-	32,615	-
Compensated absences payable	15,932	24,605	-	40,537	-
Due to other funds	5,970	26,864	-	32,834	-
Total payable from current assets	98,663	508,165	1,249,875	1,856,703	326,811
Payable from restricted assets:					
Bonds and loans payable within one year	-	340,000	-	340,000	-
Accrued interest on bonds	-	29,027	-	29,027	-
Customers' meter deposits	205,114	118,090	-	323,204	-
Total payable from restricted assets	205,114	487,117	-	692,231	-
Total current liabilities	303,777	995,282	1,249,875	2,548,934	326,811
<b>Noncurrent Liabilities</b>					
Revenue bonds payable	-	765,000	-	765,000	-
Loan payable	-	1,175,000	-	1,175,000	-
Compensated absences payable	22,501	31,794	-	54,295	-
Other postemployment benefits obligations	40,507	65,573	-	106,080	-
Total noncurrent liabilities	63,008	2,037,367	-	2,100,375	-
Total liabilities	366,785	3,032,649	1,249,875	4,649,309	326,811
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	6,955,298	9,062,313	997	16,018,608	-
Restricted for debt service	-	1,469,009	-	1,469,009	-
Unrestricted	1,421,854	1,029,868	181,645	2,633,367	(326,811)
Total net assets	\$ 8,377,152	\$ 11,561,190	\$ 182,642	\$ 20,120,984	\$ (326,811)

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**

City of Thibodaux

For the year ended December 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Municipal Waterworks Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Total	
<b>Operating Revenues</b>					
Charges for services	\$ 2,076,279	\$ 4,327,311	\$ 1,113,150	\$ 7,516,740	
<b>Operating Expenses</b>					
Gas purchased	-	2,737,256	-	2,737,256	
Contractual service	-	-	1,078,878	1,078,878	
Personal services	544,095	705,030	-	1,249,125	
Operating supplies	253,073	108,095	6,414	367,582	
Equipment expenses	89,978	131,664	-	221,642	
Building expenses	151,008	248,950	274	400,232	
Outside services	101,913	115,215	-	217,128	
General operating	254,613	197,228	1,829,956	2,281,797	\$ 170,589
General administrative	4,325	8,927	-	13,252	-
Depreciation	438,544	650,749	1,993	1,091,286	-
Total operating expenses	1,837,549	4,903,114	2,917,515	9,658,178	170,589
Operating income (loss)	238,730	(575,803)	(1,804,365)	(2,141,438)	(170,589)
<b>Non-Operating Revenues (Expenses)</b>					
Investment income	22,410	81,860	3,810	108,080	1,637
Other non-operating revenues	46,259	18,205	1,293	65,757	-
Intergovernmental	28,968	224,913	1,278,755	1,532,636	-
Interest and fiscal charges	-	(97,174)	-	(97,174)	-
Loss on disposition of assets	(78,000)	-	-	(78,000)	-
Total non-operating revenues	19,637	227,804	1,283,858	1,531,299	1,637
Income (loss) before contributions	258,367	(347,999)	(520,507)	(610,139)	(168,952)
<b>Transfers From Other Funds</b>					
General Fund		1,104,952	385,302	1,490,254	19,497
Capital Contributions	144,555	276,621	-	421,176	-
Change in Net Assets	402,922	1,033,574	(135,205)	1,301,291	(149,455)
<b>Net Assets</b>					
Beginning of year	7,974,230	10,527,616	317,847	18,819,693	(177,356)
End of year	\$ 8,377,152	\$ 11,561,190	\$ 182,642	\$ 20,120,984	\$ (326,811)

See notes to financial statements.

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

City of Thibodaux

For the year ended December 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
	Municipal Waterworks Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Total	
<b>Cash Flow from Operating Activities</b>					
Cash received from customers and users	\$ 2,049,709	\$ 4,279,053	\$ 1,126,025	\$ 7,454,787	\$ -
Cash payments to suppliers/claims expense	(883,180)	(3,485,335)	(3,030,217)	(7,398,732)	(221,559)
Cash payments to employees for services and benefits	(525,228)	(672,834)	-	(1,198,062)	-
Net cash provided by (used for) operating activities	641,301	120,884	(1,904,192)	(1,142,007)	(221,559)
<b>Cash Flow from Noncapital Financing Activities</b>					
Transfers from other funds	-	1,104,952	385,302	1,490,254	19,497
Intergovernmental	28,968	224,913	1,278,755	1,532,636	-
Net cash provided by noncapital financing activities	28,968	1,329,865	1,664,057	3,022,890	19,497
<b>Cash Flow from Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	(50,147)	(1,443,155)	-	(1,493,302)	-
Principal paid on outstanding debt	-	(330,000)	-	(330,000)	-
Interest paid on outstanding debt	-	(102,069)	-	(102,069)	-
Net cash used for capital and related financing activities	(50,147)	(1,875,224)	-	(1,925,371)	-
<b>Cash Flow from Investing Activities</b>					
Purchases of investments	(96,724)	(1,841,493)	-	(1,938,217)	-
Maturities of investments	173,965	2,512,888	-	2,686,853	-
Investment income	22,671	99,763	3,810	126,244	1,637
Other revenue	46,259	18,205	1,293	65,757	-
Net cash provided by investing activities	146,171	789,363	5,103	940,637	1,637
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	766,293	364,888	(235,032)	896,149	(200,425)
<b>Cash and Cash Equivalents</b>					
Beginning of year	644,949	852,427	259,097	1,756,473	200,425
End of year	\$ 1,411,242	\$ 1,217,315	\$ 24,065	\$ 2,652,622	\$ -
<b>Cash and cash equivalents at the end of the year consists of:</b>					
Cash	\$ 1,330,630	\$ 673,928	\$ 24,065	\$ 2,028,623	\$ -
Restricted cash	80,612	543,387	-	623,999	-
	\$ 1,411,242	\$ 1,217,315	\$ 24,065	\$ 2,652,622	\$ -
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>					
Operating income (loss)	\$ 238,730	\$ (575,803)	\$ (1,804,365)	\$ (2,141,438)	\$ (170,589)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>					
Depreciation	438,544	650,749	1,993	1,091,286	-
(Increase) decrease in assets:					
Receivables	(26,929)	31,430	12,875	17,376	-
Due from other governments	(28,968)	(79,158)	(1,278,755)	(1,386,881)	-
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	(20,159)	(4,356)	1,164,060	1,139,545	(50,970)
Meter deposits	359	(530)	-	(171)	-
Due to other funds	5,970	26,864	-	32,834	-
Compensated absences payable	(6,753)	6,115	-	(638)	-
Postemployment benefit obligations	40,507	65,573	-	106,080	-
Total adjustments	402,571	696,687	(99,827)	999,431	(50,970)
Net cash provided by (used for) operating activities	\$ 641,301	\$ 120,884	\$ (1,904,192)	\$ (1,142,007)	\$ (221,559)
<b>Noncash Capital and Related Financing Activities</b>					
Property, plant and equipment received in noncash capital contributions	\$ 144,555	\$ 276,621	\$ -	\$ 421,176	

See notes for financial statements.

**NOTES TO FINANCIAL STATEMENTS****City of Thibodaux**

December 31, 2008

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Thibodaux, Louisiana (the City) complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. The more significant of the government's accounting policies are described below.

**a) Financial Reporting Entity**

The City of Thibodaux, Louisiana (the City) was incorporated under Special Charter effective December 9, 1974. Currently, the City operates under a revised Home Rule Charter effective January 1, 2002. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, public works, recreation, culture, public welfare, utilities and general administrative services.

As the governing authority of the municipality, the City of Thibodaux is the financial reporting entity for the City of Thibodaux, Louisiana. The financial reporting entity consists of (a) the primary government (the City of Thibodaux), (b) organizations for which the City of Thibodaux is financially accountable and (c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Financial Reporting Entity (continued)**

GASB Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14 established the criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the City and the potential component unit.
4. Imposition of will by the City on the potential component unit.
5. Financial benefit/burden relationship between the City and the potential component unit.

The basic financial statements do not include the following which are considered to be component units:

City Court of Thibodaux, Louisiana – The City Court of Thibodaux, Louisiana is fiscally dependent on the City for office space and courtrooms. The City Court Judge and City Marshal are independently elected officials, whose office operations are both accounted for in the City Court of Thibodaux, Louisiana's financial statements. The substance of the relationship between City Court of Thibodaux, Louisiana and the City is that the City has approval authority over its capital budget.

Thibodaux Volunteer Fire Department, Inc. (the Fire Department) – The Fire Department is a separate, independent non-profit corporation. Management of the Fire Department is by a Board of Directors made up of volunteer firemen who have been elected by the membership of the various fire companies. After being elected by the fire companies' membership, the board members of the Fire Department are approved by the City Council. The Mayor of the City is an ex-officio member of the Board of Directors of the Fire Department. Fiscal dependency exists since the City provides insurance, utilities and various other expenses. The Fire Department also receives financial support from the City in the form of property taxes assessed at a rate of 6.4 mills.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Financial Reporting Entity (continued)**

GASB provides for the issuance of primary government financial statements, which are separate from those of the reporting entity. However, a primary government's financial statements are not a substitute for the reporting entity's financial statements. The City has chosen to issue financial statements of the primary government only. As such, the accompanying financial statements are not intended to and do not report in accordance with generally accepted accounting principles. Audit reports for component units can be obtained from the administrative offices of the component unit and from the Clerk of the City Council.

**b) Basis of Presentation**

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and the fund financial statements (individual major fund and combined nonmajor fund).

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of activities for the primary government. The effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

*Governmental Activities* represent programs, which normally are supported by taxes and intergovernmental revenues.

*Business-Type Activities* are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenue include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as a restricted property tax.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (continued)**

**Fund Financial Statements**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of the GASB Statement No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

The daily accounts and operations of the City continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped, into generic fund types and two broad fund categories as follows:

Governmental Activities presented as Governmental Funds in the fund financial statements:

General Fund – The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The Special Revenue Fund reported as a major fund in the fund financial statements is as follows:

Grant Fund – accounts for the receipts and disbursements of Federal grants.

Capital Projects Fund – accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds) and is reported as a major fund.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (continued)**

**Proprietary Funds:**

Enterprise Funds – are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise Funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements, the three Enterprise Funds reported as major funds in the fund financial statements are as follows:

Municipal Waterworks Fund – accounts for providing water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

Municipal Gas & Sewerage System Fund – accounts for providing gas and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

Garbage Collection Fund – accounts for operations of the garbage system. *Financing is provided by service charges assessed by the City and other fund transfers when necessary.* Waste disposal service companies under contract with the City provide collection and disposal services.

Internal Service Fund – accounts for risk management services, including auto liability, general liability, police liability and public officials' liability. The internal service fund totals are presented as part of the proprietary fund financial statements. Since the users of the internal service funds are City governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (continued)**

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**c) Basis of Accounting and Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year they are levied.

**Fund Financial Statements**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing resources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeitures and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The City's definition of available means expected to be received within sixty days of the end of the fiscal year, except for FEMA and insurance reimbursements for which the period is six months.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Accounting and Measurement Focus (continued)**

Nonexchange transactions, in which the City receives value without directly giving value in return, included sales tax, property tax, special assessments, grants, entitlements and donations. Ad valorem taxes are recognized as revenue of the period in which levied, thus the property taxes levied November 25, 2008 are recorded as revenue for the current year. Sales and use taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments for the Capital Projects Fund are recognized as revenues when installments are billed. Unbilled assessments are reported as deferred revenues. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due and (2) compensated absences not expected to be paid in the next twelve month period, claims and judgments and other post employment benefits are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of cost such as depreciation and amortization are not recognized in the governmental funds.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

**d) Assets, Liabilities and Fund Equity**

**Cash, Cash Equivalents and Investments**

Cash includes amounts in regular and money market accounts.

For purposes of the statement of cash flows, cash and cash equivalents include certificates of deposit and securities with maturities of three months or less when purchased.

Investments are stated at fair value as established by the open market.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assets, Liabilities and Fund Equity (continued)

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Realized gains and losses on investments recorded at fair value are included in investment income.

Investment policies are governed by state statutes.

Accounts Receivable

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The allowances represent approximately 2% of receivables from business-type activities.

Capital Assets

Capital assets, which include land and land improvements, buildings, equipment and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and initial, individual cost as follows:

Land	\$1
Land Improvements	\$25,000
Buildings	\$50,000
Building Improvements	\$50,000
Machinery & Equipment	\$5,000
Vehicles	\$5,000
Infrastructure	\$250,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets with an estimated historical cost amounted to approximately \$15,939,248 or 32.18% of total capital assets used in governmental activities.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Assets, Liabilities and Fund Equity (continued)**

Major outlays for capital assets and improvements are capitalized as projects at completion of construction. At this point the project costs are moved out of construction-in-progress and capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Type of Capital Assets</u>	<u>No. of Years</u>
Buildings and Building Improvements	10 – 50
Plant and Distribution Systems	5 – 50
Land Improvements	10 – 20
Furnishings and Equipment	5 – 20
Infrastructure	20 – 30

All infrastructure assets purchased by the City since 1980 are recorded as capital assets and depreciated accordingly. Net assets of governmental activities for the City were restated at December 31, 2006 for infrastructure assets consisting of street and drainage projects constructed or acquired by the City between the years 1980 and 1997, with the applicable accumulated depreciation. The City was able to determine the historical cost for this initial reporting of these assets through various financial records retained by the City and records obtained from the Clerk of Court. As the City constructs or acquires capital assets each period, including infrastructure, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimated. The capitalization of these infrastructure assets represents the last phase of recording all infrastructure in accordance with GASB 34. All infrastructure accepted into the City's maintenance program since 1998 had previously been capitalized and depreciated in accordance with the above capitalization policy.

**Compensated Absences**

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The City has recorded liabilities for accumulated vacation and sick leave as of December 31, 2008.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Assets, Liabilities and Fund Equity (continued)**

Employees of the City may accumulate and vest up to a maximum of 45 days of vacation time. Employees are not limited in the accumulation of sick leave. However, as of August 1, 1995, only the sick leave of employees eligible for retirement shall vest. The calculation of accrued sick leave that is payable is based on the number of service years for that employee. The amount of sick leave that an employee is eligible for is their accumulated sick leave balance times a percentage based on the number of years of service up to a predetermined maximum balance that is also based on the number of years of service.

The current portion of accrued vacation and sick leave earned has been recorded in the governmental fund-type fund financial statements as a current year expenditure and liability. This amount (\$173,526 in the General Fund and \$6,296 in the Grant Fund) represents the dollar value of accrued time during the year that would normally be liquidated with expendable available financial resources of the City.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave.

**Other Postemployment Benefits**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees' retirement. The City has recorded liabilities for postemployment health care benefits as of December 31, 2008.

In the government-wide financial statements and the proprietary fund types fund statements, the other postemployment benefits liability is recorded as an expense and long-term obligations and allocated on a functional basis.

In the government fund type financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refers to other postemployment benefit payments due and payable as of the end of the year.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Assets, Liabilities and Fund Equity (continued)**

**Long-term Debt**

In the government-wide statement of net assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. In proprietary funds bond premiums, discounts and issuance costs, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Reserves and Designations of Equity**

Some portions of fund balance in the governmental fund types are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure. Designated portions of fund balance indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made.

Designated for Subsequent Years' Expenditures are amounts in next year's budget that represent deficiencies of revenues over expenditures.

**Interfund Transactions**

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements. At December 31, 2008, the City did not have any non-current interfund loans/borrowing arrangements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Assets, Liabilities and Fund Equity (continued)**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

**Note 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**a) Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the following governmental funds: general, special revenue and capital projects. All annual appropriations lapse at year-end.

The City does not employ encumbrance accounting; under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Formal budgeting integration is employed as a management control device during the year. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) The Mayor submits to the City Council a proposed operating budget for the next fiscal year at the first regular meeting of the Council each November. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is conducted to obtain taxpayer comments.
- (3) On or before December 7<sup>th</sup> of each year, the budget is legally enacted through the passage of an ordinance by the City Council.

**Note 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**a) Budgetary Information (continued)**

- (4) The Mayor is authorized to transfer budgeted amounts among programs within a department, office or agency; however, any revisions that alter the total expenditures budgeted for any department, office, agency or fund must be approved by the City Council.
- (5) The Council by ordinance may make supplemental appropriations for the year up to the amount of such excess of estimated revenues in the budget in the same manner required for adoption of the budget.
- (6) The City Council may make emergency appropriations to meet a public emergency affecting life, health, property or the public peace.
- (7) The budget was amended three times during the year.

**b) Deficit Net Assets of Individual Funds**

A deficit of \$326,811 in unrestricted net assets exists in the Internal Service Fund. The deficit results from timing differences between when liabilities/expenses are recognized and when transfers are made. The deficit is expected to be eliminated through subsequent years' transfers.

**c) Expenditures/Expenses Exceeding Appropriations**

No individual fund had actual expenditures/expenses exceeding appropriations.

**Note 3 - PROPERTY TAXES**

Property taxes are levied each year on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the City. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana Law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable on the date they are levied, November 25, 2008 for the current year, with interest being charged on payments after January 1. The lien date for taxes assessed is June 1 of the following year. Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed values, upon which the 2008 levy was based, was \$87,952,260.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%, and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of Lafourche Parish on all

**Note 3 - PROPERTY TAXES (Continued)**

property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to the review and certification by the Louisiana Tax Commission.

The City is permitted by laws of the State of Louisiana to levy up to 7 mills of assessed valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended December 31, 2008, was 14.16 mills – 5.02 mills for general governmental services, 2.74 mills for special improvement streets and 6.40 mills for the fire department.

Tax collections as of December 31, 2008 on the 2008 tax levy were 78 percent.

**Note 4 - DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the combined balance sheet in "cash and cash equivalents" and "investments". The interest earned on these cash and investments is divided pro-rata between the participating funds.

**Bank Deposits:**

State Law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 7,029,357</u>	<u>\$ 6,900,796</u>

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a written policy for custodial credit risk. As of December 31, 2008, \$5,437,896 of the City's bank balance of \$7,029,357 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

**Note 4 - DEPOSITS AND INVESTMENTS (Continued)**

At December 31, 2008, cash in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the City. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Investments:**

State statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool.

As of December 31, 2008, the City had the following investment and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Federal Home Loan Bank Notes	\$ 1,327,046	\$ 1,327,046	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation (FHLMC) Notes	5,130,121	2,707,457	1,774,187	-	648,477
Federal National Mortgage Association (FNMA) Notes	1,764,912	777,000	910,656	-	77,256
Totals	<u>\$ 8,222,079</u>	<u>\$ 4,811,503</u>	<u>\$ 2,684,843</u>	<u>\$ -</u>	<u>\$ 725,733</u>

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy emphasizes maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy requires the application of the prudent-person rule. The policy states, *In general, the City of Thibodaux shall operate under the "Prudent Person" rule, exercising judgment and care, under the circumstances prevailing, which people of ordinary prudence would employ in the management of their own affairs – not in regard to speculation, but as to the permanent disposition of their own funds, considering both safety of capital and income...* The City's investment policy limits investments to those discussed earlier in this note. All of the City's investments were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service.

**Note 4 - DEPOSITS AND INVESTMENTS (Continued)**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

A reconciliation of deposits and investments as shown on the Statement of Net Assets is as follows:

Cash on hand	\$ 3,025
Reported amount of deposits	6,900,796
Reported amount of investments	<u>8,222,079</u>
Total	<u>\$15,215,900</u>
Cash and cash equivalents	\$ 6,279,822
Cash and cash equivalents – restricted	623,999
Investments	6,684,899
Investments - restricted	<u>1,537,180</u>
Total	<u>\$15,125,900</u>

**Note 5 - RECEIVABLES**

An allowance based upon past experience has been established for customers' utility billings and garbage fees. Uncollectible amounts due for ad valorem taxes, special assessments and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectability of the particular receivable.

**Exhibit 12**  
**(Continued)**

**Note 5 - RECEIVABLES (Continued)**

Receivable and the applicable allowances for doubtful accounts at December 31, 2008 were as follows:

	Amount	Allowance for Uncollectibles	Net Receivable
<b>Governmental Activities:</b>			
General Fund:			
Insurance	\$ 38,588	\$ -	\$ 38,588
Property taxes	97,123	-	97,123
Franchise fees	204,902	-	204,902
Other	67,634	-	67,634
Nonmajor Funds:			
Property taxes	175,682	-	175,682
Other	250	-	250
Total governmental funds	584,179	-	584,179
Accrued investment earnings	60,923	-	60,923
Total governmental activities	<u>\$ 645,102</u>	<u>\$ -</u>	<u>\$ 645,102</u>
<b>Business-type Activities:</b>			
Municipal Waterworks Fund:			
Unbilled service charges	\$ 134,866	\$ -	\$ 134,866
Customers	90,679	3,002	87,677
Accrued interest	1,445	-	1,445
Municipal Gas & Sewerage System:			
Unbilled service charges	304,149	-	304,149
Customers	237,313	14,315	222,998
Accrued interest	15,167	-	15,167
Garbage Collection Fund:			
Unbilled service charges	67,510	-	67,510
Customers	63,872	2,682	61,190
Total business-type activities	<u>\$ 915,001</u>	<u>\$ 19,999</u>	<u>\$ 895,002</u>

**Note 5 - RECEIVABLES (Continued)**

**Franchise Fees:**

**Electric**

On October 21, 2003, the City entered into a new agreement with Entergy, that granted, by ordinance, to Entergy a franchise, right and privilege for a period of thirty-three (33) years from the date of adoption to distribute, deliver, sell and supply, in such a manner as it chooses, electric service throughout the City. The City is to receive a sum of two percent (2%) of the gross receipts from the sale of electric service at retail for residential and commercial purposes within the corporate limits of the City. The City earned and reported in the General Fund \$361,285 of franchise fee revenue of which \$81,946 was receivable for the year ended December 31, 2008.

**Cable TV**

On June 18, 2004, the City granted to Renaissance Media L.L.C. doing business as Charter Communications, a new franchise to supply cable service within the city limits for 15 years. The City receives five percent (5%) of revenues received from subscribers in the City as franchise fee for television service, not including installation revenues. The City earned and reported in the General Fund \$172,371 of Cable TV franchise fee revenue of which \$83,091 was receivable for the year ended December 31, 2008.

**Telephone**

On August 21, 1998, the City granted to BellSouth Telecommunications, Inc. (currently AT&T) a franchise to use and occupy the streets, alleys, public ways and thoroughfares of the City for the purpose of constructing, maintaining and operating its poles, wires, conduits, cables, anchors, towers, transmission lines, manholes, piers, abutments and other structures and facilities used in or incidental to the provisions of telephone or telegraph services to the public. In consideration, the Company agrees to pay five percent (5%) of the gross receipts from local exchange telephone service provided within the corporate limits. The agreement is on a year-to-year basis unless canceled by either party upon at least sixty days notice prior to the expiration of the initial term or any extension thereof. The City earned and reported in the General Fund \$86,559 of telephone franchise fee revenue of which \$20,838 was receivable for the year ended December 31, 2008.



**Note 6 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2008 consisted of the following:

	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Housing Authority</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities:</b>						
General Fund	\$ 448,010	\$ 113,871	\$ 1,700,119	\$ 145,172	\$ 12,668	\$ 2,419,840
Grant Fund	120,414	-	-	-	-	120,414
Capital Projects Fund	15,000	20,536	-	-	-	35,536
Other governmental funds	<u>16,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,664</u>
Total governmental activities	<u>\$ 600,088</u>	<u>\$ 134,407</u>	<u>\$ 1,700,119</u>	<u>\$ 145,172</u>	<u>\$ 12,668</u>	<u>\$ 2,592,454</u>
<b>Business-type Activities:</b>						
Waterworks Fund	\$ 28,968					\$ 28,968
Gas & Sewerage System	29,888	\$ 49,270				79,158
Garbage Collection Fund	<u>1,278,755</u>	<u>-</u>				<u>1,278,755</u>
Total business-type activities	<u>\$ 1,337,611</u>	<u>\$ 49,270</u>				<u>\$ 1,386,881</u>

**Note 7 - RESTRICTED ASSETS**

Restricted assets at December 31, 2008 in the enterprise funds consists of \$323,204 of customer deposits and \$1,837,975 in specific assets required to be segregated as to use pursuant to restrictions arising from the Utilities Revenue Bond Issues, see Note 10.

**Note 8 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance 01/01/08	Additions	Deletions	Balance 12/31/08
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,773,051			\$ 3,773,051
Construction in progress	2,496,231	\$ 1,339,506		3,835,737
Total capital assets not being depreciated	6,269,282	1,339,506		7,608,788
Capital assets being depreciated:				
Infrastructure	26,830,729	1,335,948		28,166,677
Buildings & improvements	9,229,637	70,000		9,299,637
Furnishings & equipment	3,740,769	882,861	\$ (166,620)	4,457,010
Total capital assets being depreciated	39,801,135	2,288,809	(166,620)	41,923,324
Less accumulated depreciation for:				
Infrastructure	7,855,072	1,070,474	-	8,925,546
Buildings & improvements	4,885,889	324,280	-	5,210,169
Furnishings & equipment	2,029,489	443,577	(120,906)	2,352,160
Total accumulated depreciation	14,770,450	1,838,331	(120,906)	16,487,875
Total capital assets being depreciated, net	25,030,685	450,478	(45,714)	25,435,449
Total governmental activities capital assets, net	\$ 31,299,967	\$ 1,789,984	\$ (45,714)	\$ 33,044,237

**Note 8 - CHANGES IN CAPITAL ASSETS (Continued)**

	Balance 01/01/08	Additions	Adjustments	Balance 12/31/08
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 355,334		\$ (78,000)	\$ 277,334
Construction in progress	78,326	\$ 1,294,607	(916,902)	456,031
Total capital assets not being depreciated	433,660	1,294,607	(994,902)	733,365
Capital assets being depreciated:				
Water production & distribution system	11,570,524	182,612	-	11,753,136
Sewerage system plant and equipment	12,097,313	1,235,342	-	13,332,655
Gas distribution system	8,461,497	180,131	-	8,641,628
Garbage collection equipment	19,928	-	-	19,928
Total capital assets being depreciated	32,149,262	1,598,085	-	33,747,347
Less accumulated depreciation for:				
Water production & distribution system	4,403,280	438,544	-	4,841,824
Sewerage system plant and equipment	6,519,773	353,295	-	6,873,068
Gas distribution system	4,150,827	297,454	-	4,448,281
Garbage collection equipment	16,938	1,993	-	18,931
Total accumulated depreciation	15,090,818	1,091,286	-	16,182,104
Total capital assets being depreciated, net	17,058,444	506,799	-	17,565,243
Total business-type activities capital assets, net	\$ 17,492,104	\$ 1,801,406	\$ (994,902)	\$ 18,298,608

**Adjustments**

The City reverted back a parcel of property to its original owners in accordance with an act of donation executed on January 3, 1984. Also reported as adjustments are the completion and reclassification of capital projects to their functional asset groupings which had been previously accounted for as construction in progress.

**Note 8 - CHANGES IN CAPITAL ASSETS (Continued)**

Depreciation expense for 2008 was charged to functions of the City as follows:

**Governmental Activities:**

General government	\$ 140,129
Public safety	263,040
Public works	1,091,277
Culture and recreation	313,420
Economic development and assistance	<u>30,465</u>

Total depreciation expense- governmental activities	<u>\$ 1,838,331</u>
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**Business-Type Activities:**

Waterworks	\$ 438,544
Gas & Sewerage System	650,749
Garbage Collection	<u>1,993</u>

Total depreciation expense- business-type activities	<u>\$ 1,091,286</u>
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The City has active construction projects as of December 31, 2008. The projects include various drainage and sewer projects. At year-end, the government's commitments with contractors are as follows:

Project	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
<b>Governmental activities-public purpose portion</b>		
Drainage construction	\$ 386,666	\$ 102,090
 <b>Business-type activities</b>		
Wastewater treatment plant improvements	<u>326,149</u>	<u>141,351</u>
 Totals	<u>\$ 712,815</u>	<u>\$ 243,441</u>

**Note 9 - ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES**

Accounts payable and other current liabilities at December 31, 2008 consisted of the following:

	Vendors	Salaries & Benefits	Claims & Judgements	Other	Total Accounts Payable and Accrued Expenditures	Liability for Work on Completed Contracts	Total Accounts Payable and Other Current Liabilities
<b>Governmental activities:</b>							
General	\$ 605,172	\$ 102,530		\$ 45,261	\$ 752,963	\$ 375,775	\$ 1,128,738
Grant	9,615	1,076		-	10,691	85,808	96,499
Capital Projects	45,869	-		-	45,869	113,506	159,375
Non major funds	8,502	-		375	8,877	9,534	18,411
Internal service fund	10,310	-	\$ 316,501	-	326,811	-	326,811
<b>Total governmental activities</b>	<b>\$ 679,468</b>	<b>\$ 103,606</b>	<b>\$ 316,501</b>	<b>\$ 45,636</b>	<b>\$ 1,145,211</b>	<b>\$ 584,623</b>	<b>\$ 1,729,834</b>
<b>Business-type activities:</b>							
Waterworks	\$ 68,252	\$ 3,269		\$ 5,240	\$ 76,761		\$ 76,761
Gas & Sewerage System	384,854	6,320		4,210	395,384	\$ 61,312	456,696
Garbage Collection	1,249,875	-		-	1,249,875	-	1,249,875
<b>Total business-type activities</b>	<b>\$ 1,702,981</b>	<b>\$ 9,589</b>	<b>\$ -</b>	<b>\$ 9,450</b>	<b>\$ 1,722,020</b>	<b>\$ 61,312</b>	<b>\$ 1,783,332</b>

**Note 10 - LONG-TERM DEBT**

The following is a summary of the long-term debt of the City:

**Compensated Absences and Other Postemployment Benefits**

Compensated absences and other postemployment are described in Note 1d). For governmental activities, compensated absences and other postemployment benefits are liquidated by the governmental fund in which the liability is incurred.

**Utilities Revenue Refunding Bonds Series 1996**

On August 1, 1996 the City issued utilities revenue bonds in the amount of \$2,915,000. Revenue bonds outstanding as of December 31, 2008 are \$995,000 repayable through 2012 at rates ranging from 5.55% to 5.65%.

**Utilities Revenue Bonds Series 1997**

The City issued Utilities Revenue Bonds Series 1997 in the amount of \$2,283,827 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding at December 31, 2008 are \$1,285,000 repayable through 2018 at an interest rate of 2.45% plus a .5% annual administration fee.

**Note 10 - LONG-TERM DEBT (Continued)**

**Bond Requirements and Covenants**

Under the terms for each of the bond indentures outstanding, principal and interest is secured and payable solely from a pledge of the income and revenues to be derived from the operation of the System. All revenues must be deposited in the System and required transfers made to the following Funds on a monthly basis after the payment of operating expenses:

**a) Utilities Revenue Bond Sinking Funds**

Monthly transfers are required to these Funds in an amount necessary to make the principal and interest payments as they become due. These Funds are restricted for this purpose and amount to \$365,242 for Series 1996 and 1997 bond issues.

**b) Utilities Revenue Bond Reserve Fund**

Monies in the amount of \$351,737 have been deposited into this fund. This amount represents the highest amount of principal and interest due on each bond issue in future years on the System's outstanding revenue bonds. The Fund is restricted to the payment of principal and interest in case of default on either bond issue.

**c) Capital Additions and Contingency Fund**

Monthly transfers of 5% of gross revenues of the System for the preceding month are required. The Fund is restricted to payments for extensions, additions, improvement, renewals and replacements necessary to properly operate the System. It will also be used to pay principal and interest if there are not sufficient funds in the Revenue Bond Sinking Fund and Bond Reserve Fund. However, this Fund must contain a minimum of \$50,000 at all times. At December 31, 2008 the Fund had a balance of \$1,120,996.

**d) Bond Requirements**

The accounting requirements of the bond resolutions, as stated in a) through c) above, have been complied with for the year ended December 31, 2008.

**Note 10 - LONG-TERM DEBT (Continued)**

The following is a summary of changes in long-term debt of the City:

	Payable January 1, 2008	Obligations Retired	New Issues	Payable December 31, 2008	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences payable	\$ 364,341	\$ 249,099	\$ 264,088	\$ 379,330	\$ 179,822
Postemployment benefit obligations	-	116,094	748,786	632,692	-
	<u>\$ 364,341</u>	<u>\$ 365,193</u>	<u>\$ 1,012,874</u>	<u>\$ 1,012,022</u>	<u>\$ 179,822</u>
<b>Business-type Activities:</b>					
Utilities Revenue Refunding Bond Series 1996	\$ 1,215,000	\$ 220,000		\$ 995,000	\$ 230,000
Utilities Revenue Bond Series 1997	1,395,000	110,000		1,285,000	110,000
Compensated absences payable	95,470	80,963	\$ 80,325	94,832	40,537
Postemployment benefit obligations	-	46,592	152,672	106,080	-
	<u>-</u>	<u>46,592</u>	<u>152,672</u>	<u>106,080</u>	<u>-</u>
Total business-type activities	<u>\$ 2,705,470</u>	<u>\$ 457,555</u>	<u>\$ 232,997</u>	<u>\$ 2,480,912</u>	<u>\$ 380,537</u>

The annual requirements to amortize all bonded debt outstanding, including principal and interest, at December 31, 2008 are as follows:

Maturity	Utilities Revenue Refunding Bonds Series 1996		Utilities Revenue Bonds Series 1997	
	Principal	Interest	Principal	Interest
2009	\$ 230,000	\$ 49,215	\$ 110,000	\$ 30,135
2010	240,000	36,113	115,000	27,379
2011	255,000	22,190	120,000	24,500
2012	270,000	7,491	125,000	21,499
2013	-	-	125,000	18,436
2014-2018	-	-	690,000	43,120
	<u>-</u>	<u>-</u>	<u>690,000</u>	<u>43,120</u>
Total	<u>\$ 995,000</u>	<u>\$ 115,009</u>	<u>\$ 1,285,000</u>	<u>\$ 165,069</u>

**Note 11 - MAJOR SUPPLIERS – ENTERPRISE FUND**

During the year ended December 31, 2008, 100% of the City's natural gas purchases were made from a single supplier.

**Exhibit 12**  
**(Continued)**

**Note 12 - DUE TO AND FROM OTHER FUNDS**

Due to and from other funds are listed by fund for the year ended December 31, 2008:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Grant Fund		\$ (2,985)
Municipal Waterworks Fund		(5,970)
Municipal Gas and Sewerage System Fund		(26,864)
Capital Projects Fund		<u>116,346</u>
Totals		<u>80,527</u>
Grant Fund:		
General Fund		2,985
Capital Projects Fund:		
General Fund	\$ 116,346	-
Municipal Waterworks Fund:		
General Fund	-	5,970
Municipal Gas and Sewage System Fund:		
General Fund	-	26,864
Totals	<u>116,346</u>	<u>35,819</u>
Grand Totals	<u>\$ 116,346</u>	<u>\$ 116,346</u>

The balances above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system and (3) payments between funds are made.



**Note 13 - RECONCILIATION OF OPERATING TRANSFERS**

A reconciliation of operating transfers for the year ended December 31, 2008 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Capital Projects Fund		\$ 598,752
Municipal Gas & Sewerage System Fund		1,104,952
Garbage Collection Fund		385,302
Internal Service Fund		19,497
Non-major Funds	\$ 554,579	
Capital Projects Fund:		
General Fund	598,752	-
Municipal Gas & Sewerage System Fund		
General Fund	1,104,952	-
Garbage Collection Fund		
General Fund	385,302	-
Internal Service Fund		
General Fund	19,497	-
Non-major Funds:		
General Fund	-	554,579
Totals	<u>\$ 2,663,082</u>	<u>\$ 2,663,082</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service fund from the funds collecting the receipts to the debt service fund as debt service payments become due and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

**Note 14 - LEASE COMMITMENTS**

The City has various operating leases. The operating leases are for property and vehicles. Some leases are on a monthly basis and others are on a yearly basis. The longest time period the City is under contract is for a lease expiring in the year 2034 for property for the Thibodaux Municipal Airport.

**Note 14 - LEASE COMMITMENTS (Continued)**

Rental expenses for all operating leases for the year ended December 31, 2008 totaled approximately \$22,120.

The minimum annual commitments under uncancelable operating leases are as follows:

<u>Year ending December 31</u>	<u>Amount</u>
2009	\$ 20,720
2010	18,760
2011	17,170
2012	12,400
2013	12,400
Thereafter	<u>254,800</u>
Total	<u>\$ 336,250</u>

**Note 15 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; providing health, dental and other medical benefits to employees; and natural disasters for which the City carries commercial insurance. No settlements were made during the year that exceeded the City's insurance coverage.

The City maintains a limited risk management program in the Internal Service Fund for auto, general, police and public officials' liability claims. At December 31, 2008, the City is named as a defendant in various legal claims arising in the ordinary course of operations. In accordance with Statement of Financial Accounting Standards No. 5, the City's Internal Service Fund has provided for, in its financial statements, estimated losses from the aforementioned pending suits and claims based on the estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. The City believes the ultimate settlement costs will not materially exceed the amounts provided for the claims.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the Internal Service Fund.

**Note 15 - RISK MANAGEMENT (Continued)**

Transfers from the participating funds to the Internal Service Fund are made as necessary. Claims in excess of the self-insured retention amounts are recovered through commercial limited-coverage insurance policies. The City is self-insured for the first \$100,000 for each claim and is insured with excess coverage as follows:

- Auto liability, general liability and police liability with a \$1,000,000 per occurrence limit (\$3,000,000 policy combined aggregate)
- Public officials employment practices \$2,000,000 per occurrence (\$4,000,000 policy combined aggregate)

Settled claims have not exceeded the insurance coverage for the excess liability in any of the past three years.

At December 31, 2008, the amount of liability for unpaid claims was \$326,811. These liabilities are the City's best estimate based on available information. Changes in the reported liabilities during the past two years are as follows:

	<u>Beginning Liability</u>	<u>Incurred Claims</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
2007	\$ 238,630	\$ 255,190	\$ 116,039	\$ 377,781
2008	\$ 377,781	\$ 170,589	\$ 221,559	\$ 326,811

**Note 16 - COMMITMENTS AND CONTINGENCIES**

The City received funding under grants from various federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

**Note 17 - POSTRETIREMENT HOSPITALIZATION, DENTAL AND LIFE INSURANCE BENEFITS**

**Plan Description**

The City provides for the payment of hospitalization, dental and life insurance premiums for retired employees as approved by the City Council. The City will fund the entire premium for all employees retiring with at least twenty-five years service. A retired employee may provide dependent hospitalization coverage if they had dependent coverage at the time of retirement at the applicable dependent coverage rate. The City of Thibodaux will continue payment of premium benefits for retired employees on a pro-rated basis beginning with 40% of premiums paid after completing 10 years or 120 months of service. The percentage of premium paid benefit will increase by 4% for each additional year or 12 month period of service through 25 years or 300 months of service when 100% of premiums shall be paid.

**Funding Policy**

The City funds required premiums based on pay-as-you-go financing requirements. The cost of providing these benefits for the year ended December 31, 2008, amounted to \$162,686, \$116,094 for governmental activities and \$46,592 for business-type activities.

**Annual OPEB Cost and Net OPEB Obligation**

In fiscal year 2008, the City recognized a net other post employment benefit (OPEB) obligation for covered post employment healthcare benefits in accordance with the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions* (GASB 45).

GASB 45 was implemented prospectively with zero net obligations at transition. The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the transition year, the premiums actually paid and the City's net OPEB obligation.

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Annual required contributions	\$ 748,786	\$ 152,672	\$ 901,458
Premiums Paid	(116,094)	(46,592)	(162,686)
Net OPEB obligation-end of year	<u>\$ 632,692</u>	<u>\$ 106,080</u>	<u>\$ 738,772</u>

**Note 17 - POSTRETIREMENT HOSPITALIZATION, DENTAL AND LIFE INSURANCE BENEFITS (Continued)**

The City's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB obligation as of December 31, 2008 is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>Annual</u> <u>Cost Paid</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
12/31/2008	\$ 901,458	18.05%	\$ 738,772

**Funded Status and Funding Progress**

As of January 1, 2008, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$11,491,576, \$8,915,635 for governmental activities and \$2,575,941 for business-type activities. Covered payroll for eligible employees was \$4,826,550 and the total UAAL represents 238.1 percent of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. The actuarial calculations reflect a long-term perspective.

In the January 1, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return and annual medical cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 6 percent after eight years. The annual dental cost trend was initially 5 percent, reduced by decrements to an ultimate rate of 3.5 percent after 8 years. Zero trend was assumed for valuing life insurance. As of the valuation date, the City only pays required insurance premiums directly from City resources, accordingly there are no plan assets, hence no need for an actuarial value of assets. The UAAL is being amortized as a level percent of payroll on a closed basis. The remaining amortization period at January 1, 2008 was 30 years.

**Note 17 - POSTRETIREMENT HOSPITALIZATION, DENTAL AND LIFE INSURANCE BENEFITS (Continued)**

**Required Supplementary Information**

Once an additional OPEB actuarial valuation is completed, the City will be required to present a required schedule of funding progress immediately following the notes to its financial statements showing multiyear trend information about whether the actuarial accrued liability is increasing or decreasing over time.

**Note 18 - EMPLOYEE RETIREMENT SYSTEMS**

Employees of the City (except for police) are members of the Municipal Employees' Retirement System of Louisiana. City police are members of the Municipal Police Employees' Retirement System.

**a) Municipal Employees' Retirement System of Louisiana**

**Plan Description** – The City contributes to Plan A of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit pension plan, which is controlled and administered by a separate Board of Trustees. The system provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. Act 569 of the 1968 Louisiana Legislative Session provided an optional method for municipalities to cancel Social Security and come under supplementary benefits in the System, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

**Note 18 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**a) Municipal Employees' Retirement System of Louisiana (continued)**

**Funding Policy** – Plan members are required to contribute 9.25% of their earnable compensation and the City is required to contribute at an actuarially determined rate. The City's contribution rate during the period January 1, 2008 through December 31, 2008 was 13.50% of annual covered payroll. In addition, the System also receives ¼ of 1% of ad valorem taxes collected within the City and revenue sharing funds each year as appropriated by the Legislature. The contribution requirements of plan members and the City are established and may be amended by state statute. The City's contributions to the System for the years ending December 31, 2008, 2007, and 2006 were \$472,834, \$480,204, and \$506,858, respectively, equal to the required contributions for each year.

**b) Municipal Police Employees' Retirement System**

**Plan Description** – The City contributes to the Municipal Police Employees' Retirement System (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The system provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 189 of the 1973 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:2211 through 11:2233, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809.

**Funding Policy** – Plan members are required to contribute 7.50% of their earnable compensation and the City is required to contribute at an actuarially determined rate. The City's contribution rate during the period January 1, 2008 through June 30, 2008 was 13.75% of annual payroll excluding overtime but including state supplemental pay. Effective July 1, 2008, the City's contribution rate is 9.50% of annual payroll during the period excluding overtime but including state supplemental pay. In addition, the System also receives a percentage of insurance premiums. The contribution requirements of plan members and the City are established and may be amended by state statute. The City's contributions to the System for the years ending December 31, 2008, 2007, and 2006 were \$220,214, \$249,500, and \$257,530, respectively, equal to the required contributions for each year.

**Note 19 - ON-BEHALF PAYMENTS FOR SUPPLEMENTAL PAY**

The City recognizes as revenues and expenditures salary supplements that the State of Louisiana has paid directly to the City's police officers. As of December 31, 2008, the total on-behalf payments made amounted to \$195,310.

**Note 20 - ECONOMIC DEPENDENCY**

The State of Louisiana incurred significant property loss and damages as a result of Hurricanes Gustav and Ike in September 2008. Hurricane relief and recovery efforts have impaired the State's finances and increased the likelihood of cuts in the City's future funding from the State. If significant budget cuts are made at the state and government levels, the amount of funds the City will receive could be reduced significantly and have an adverse impact on its operations. Management is not able to estimate at this time the amount of funds that the City will receive from future state funding. However, management believes that it will receive sufficient funds to avoid a material impact on the City's future operations.



## **SUPPLEMENTARY INFORMATION SECTION**

**NONMAJOR GOVERNMENTAL FUNDS**  
**Special Revenue Funds**

**Fire Department Fund** – is used to account for ad valorem taxes assessed on behalf of the Thibodaux Volunteer Fire Department that are billed, collected and paid to the Fire Department of the City.

**Street Improvement and Maintenance Fund** – is financed by a special property tax assessed for the purpose of providing funds for repairs, maintenance and improvements of the City's streets. These funds may be used only for this purpose.

**Police Forfeiture Fund** – accounts for amounts received from the Lafourche Parish Sheriff, District Attorney and Drug Enforcement Agency on the sales of assets seized from drug enforcement.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

City of Thibodaux

December 31, 2008

	Special Revenue Funds			
	Fire Department Fund	Street Improvement and Maintenance Fund	Police Forfeiture Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 439,862	\$ 473,467	\$ 64,682	\$ 978,011
Investments	-	214,364	-	214,364
Receivables (net, where applicable of allowances for uncollectibles):				
Property taxes	123,017	52,665	-	175,682
Other	-	250	-	250
Due from other governmental units	-	16,664	-	16,664
<b>Total assets</b>	<b>\$ 562,879</b>	<b>\$ 757,410</b>	<b>\$ 64,682</b>	<b>\$ 1,384,971</b>
<b>Liabilities</b>				
Accounts payable and accrued expenditures		\$ 7,192	\$ 1,685	\$ 8,877
Retainage payable		9,534	-	9,534
<b>Total liabilities</b>		<b>\$ 16,726</b>	<b>\$ 1,685</b>	<b>\$ 18,411</b>
<b>Fund Balances</b>				
Unreserved:				
Designated for subsequent years' expenditures		124,500	55,350	179,850
Undesignated	\$ 562,879	616,184	7,647	1,186,710
<b>Total fund balances</b>	<b>562,879</b>	<b>740,684</b>	<b>62,997</b>	<b>1,366,560</b>
<b>Total liabilities and fund balances</b>	<b>\$ 562,879</b>	<b>\$ 757,410</b>	<b>\$ 64,682</b>	<b>\$ 1,384,971</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

**City of Thibodaux**

For the year ended December 31, 2008

	<u>Special Revenue Funds</u>			
	<u>Fire</u>	<u>Street</u>	<u>Police</u>	
	<u>Department</u>	<u>Improvement</u>	<u>Forfeiture</u>	
	<u>Fund</u>	<u>and</u>	<u>Fund</u>	<u>Total</u>
	<u>Fund</u>	<u>Maintenance</u>	<u>Fund</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
<b>Revenues</b>				
Taxes - ad valorem	\$ 561,355	\$ 240,323		\$ 801,678
Intergovernmental	-	16,664	\$ 16,234	32,898
Miscellaneous	3,027	17,050	892	20,969
	<u>564,382</u>	<u>274,037</u>	<u>17,126</u>	<u>855,545</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current:				
Public safety	-	-	7,372	7,372
Public works	-	112,642	-	112,642
Capital outlay	-	21,978	-	21,978
	<u>-</u>	<u>134,620</u>	<u>7,372</u>	<u>141,992</u>
<b>Total expenditures</b>				
Excess of revenues over expenditures	564,382	139,417	9,754	713,553
<b>Other Financing Uses</b>				
Operating transfers out	(554,579)	-	-	(554,579)
<b>Net Change in Fund Balances</b>	9,803	139,417	9,754	158,974
<b>Fund Balances</b>				
Beginning of year	553,076	601,267	53,243	1,207,586
End of year	<u>\$ 562,879</u>	<u>\$ 740,684</u>	<u>\$ 62,997</u>	<u>\$ 1,366,560</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE DEPARTMENT FUND**

**City of Thibodaux**

For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes - ad valorem	\$ 550,000	\$ 550,000	\$ 561,355	\$ 11,355
Miscellaneous	1,100	3,705	3,027	(678)
Total revenues	551,100	553,705	564,382	10,677
<b>Expenditures</b>				
Current:				
Public safety:				
General operating	250	250	-	250
Excess of revenues over expenditures	550,850	553,455	564,382	10,927
<b>Other Financing Uses</b>				
Operating transfers out:				
General Fund	(550,000)	(554,579)	(554,579)	-
<b>Net Change in Fund Balance</b>	850	(1,124)	9,803	10,927
<b>Fund Balance</b>				
Beginning of year	550,520	553,076	553,076	-
End of year	<u>\$ 551,370</u>	<u>\$ 551,952</u>	<u>\$ 562,879</u>	<u>\$ 10,927</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREET IMPROVEMENT AND MAINTENANCE FUND**

**City of Thibodaux**

For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes - ad valorem	\$ 235,000	\$ 235,000	\$ 240,323	\$ 5,323
Intergovernmental	-	16,998	16,664	(334)
Miscellaneous	26,000	20,723	17,050	(3,673)
Total revenues	261,000	272,721	274,037	1,316
<b>Expenditures</b>				
Current:				
Public works:				
Operating supplies	478,000	259,165	88,836	170,329
Outside services	15,200	-	-	-
General operating	420	23,084	23,806	(722)
Total public works	493,620	282,249	112,642	169,607
Capital outlay	-	45,561	21,978	23,583
Total expenditures	493,620	327,810	134,620	193,190
<b>Net Change in Fund Balance</b>	(232,620)	(55,089)	139,417	194,506
<b>Fund Balance</b>				
Beginning of year	624,084	601,267	601,267	-
End of year	\$ 391,464	\$ 546,178	\$ 740,684	\$ 194,506

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**POLICE FORFEITURE FUND**

City of Thibodaux

For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 700	\$ 16,235	\$ 16,234	\$ (1)
Miscellaneous - interest earned	1,500	930	892	(38)
Total revenues	2,200	17,165	17,126	(39)
<b>Expenditures</b>				
Current:				
Public safety:				
Operating supplies	9,000	-	1,049	(1,049)
General administrative	35,500	10,723	6,323	4,400
Total expenditures	44,500	10,723	7,372	3,351
<b>Net Change in Fund Balance</b>	(42,300)	6,442	9,754	3,312
<b>Fund Balance</b>				
Beginning of year	42,367	53,243	53,243	-
End of year	\$ 67	\$ 59,685	\$ 62,997	\$ 3,312

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**

**City of Thibodaux**

For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 412,500	\$ 287,500	\$ 150,420	\$ (137,080)
Miscellaneous:				
Reimbursements	1,704	1,704	1,704	-
Interest earned	1,100	353	317	(36)
Total revenues	<u>415,304</u>	<u>289,557</u>	<u>152,441</u>	<u>(137,116)</u>
<b>Expenditures</b>				
Current:				
General administrative:				
Professional fees	-	70,327	62,825	7,502
Outside services	3,000	3,000	418	2,582
Total general administrative	<u>3,000</u>	<u>73,327</u>	<u>63,243</u>	<u>10,084</u>
Capital outlay:				
Professional fees	421,000	143,750	67,565	76,185
Construction contracts	2,974,500	742,000	622,528	119,472
Total capital expenditures	<u>3,395,500</u>	<u>885,750</u>	<u>690,093</u>	<u>195,657</u>
Total expenditures	<u>3,398,500</u>	<u>959,077</u>	<u>753,336</u>	<u>205,741</u>
Deficiency of revenues over expenditures	<u>(2,983,196)</u>	<u>(669,520)</u>	<u>(600,895)</u>	<u>68,625</u>
<b>Other Financing Sources</b>				
Operating transfer in:				
General Fund	2,936,250	667,931	598,752	(69,179)
<b>Net Change in Fund Balance</b>	<u>(46,946)</u>	<u>(1,589)</u>	<u>(2,143)</u>	<u>(554)</u>
<b>Fund Balance</b>				
Beginning of year	2,062	4,089	4,089	-
End of year	<u>\$ (44,884)</u>	<u>\$ 2,500</u>	<u>\$ 1,946</u>	<u>\$ (554)</u>



**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**

City of Thibodaux

For the year ended December 31, 2008

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
Governmental funds capital assets:				
Land	\$ 3,773,051	\$ -	\$ -	3,773,051
Infrastructure	26,830,729	1,335,948	-	28,166,677
Buildings and improvements	9,229,637	70,000	-	9,299,637
Furnishings, machinery and equipment	3,740,769	882,861	166,620	4,457,010
	43,574,186	2,288,809	166,620	45,696,375
Construction in progress	2,496,231	1,339,506	-	3,835,737
	<u>\$ 46,070,417</u>	<u>\$ 3,628,315</u>	<u>\$ 166,620</u>	<u>49,532,112</u>
Total governmental funds capital assets				
	<u>\$ 46,070,417</u>	<u>\$ 3,628,315</u>	<u>\$ 166,620</u>	<u>49,532,112</u>
Investment in governmental funds capital assets by source:				
General Fund	\$ 5,638,171	\$ 1,520,423	\$ 166,620	6,991,974
Special Revenue Funds:				
Sales Tax Fund	15,798,872	-	-	15,798,872
Grant Fund	1,708,467	102,259	-	1,810,726
Street Improvement and Maintenance Fund	867,847	28,266	-	896,113
Capital Projects Fund	22,057,060	1,977,367	-	24,034,427
	<u>\$ 46,070,417</u>	<u>\$ 3,628,315</u>	<u>\$ 166,620</u>	<u>49,532,112</u>
Total governmental funds capital assets				
	<u>\$ 46,070,417</u>	<u>\$ 3,628,315</u>	<u>\$ 166,620</u>	<u>49,532,112</u>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**

City of Thibodaux

December 31, 2008

<u>Function and Activity</u>	<u>Land</u>	<u>Infrastructure</u>	<u>Buildings and Improvements</u>	<u>Furnishings, Machinery and Equipment</u>	<u>Total</u>
General government:					
Control:					
Judicial				\$ 46,047	\$ 46,047
Staff agencies:					
Finance				42,041	42,041
City Clerk				6,617	6,617
General government property	\$ 287,019	\$ 1,084,228	\$ 1,944,670	244,090	3,560,007
Grants	-	-	-	12,334	12,334
Human Resources	-	-	-	5,355	5,355
	<u>287,019</u>	<u>1,084,228</u>	<u>1,944,670</u>	<u>310,437</u>	<u>3,626,354</u>
Total general government	<u>287,019</u>	<u>1,084,228</u>	<u>1,944,670</u>	<u>356,484</u>	<u>3,672,401</u>
Public safety:					
Police protection	10	-	2,162,051	1,500,601	3,662,662
Fire protection	-	-	-	227,069	227,069
Total public safety	<u>10</u>	<u>-</u>	<u>2,162,051</u>	<u>1,727,670</u>	<u>3,889,731</u>
Public works:					
Streets and drainage	<u>136,325</u>	<u>25,611,179</u>	<u>153,817</u>	<u>1,142,379</u>	<u>27,043,700</u>
Health and welfare:					
Administration	-	-	-	15,842	15,842
Culture and recreation:					
Recreation	-	343,380	917,569	31,778	1,292,727
Parks	1,732,355	483,272	497,754	575,711	3,289,092
Warren J. Harang Jr Municipal Auditorium	<u>1,617,342</u>	<u>63,853</u>	<u>3,623,776</u>	<u>568,796</u>	<u>5,873,767</u>
Total culture and recreation	<u>3,349,697</u>	<u>890,505</u>	<u>5,039,099</u>	<u>1,176,285</u>	<u>10,455,586</u>
Economic development and assistance:					
Airport commission	-	<u>580,765</u>	-	<u>38,350</u>	<u>619,115</u>
Total governmental funds capital assets allocated to functions	<u>\$ 3,773,051</u>	<u>\$ 28,166,677</u>	<u>\$ 9,299,637</u>	<u>\$ 4,457,010</u>	<u>45,696,375</u>
Construction in progress					<u>3,835,737</u>
Total governmental funds capital assets					<u>\$ 49,532,112</u>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

City of Thibodaux

For the year ended December 31, 2008

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Governmental Funds Capital Assets December 31, 2008</u>
General government:					
Control:					
Judicial	\$ 46,047				\$ 46,047
Staff agencies:					
Finance	42,041				42,041
City Clerk	6,617				6,617
General government property	3,560,007				3,560,007
Grants	12,334				12,334
Human Resources	5,355				5,355
	<u>3,626,354</u>				<u>3,626,354</u>
Total general government	<u>3,672,401</u>				<u>3,672,401</u>
Public safety:					
Police protection	3,143,574	\$ 601,311	\$ 82,223		3,662,662
Fire protection	140,914	86,155	-		227,069
Total public safety	<u>3,284,488</u>	<u>687,466</u>	<u>82,223</u>		<u>3,889,731</u>
Public works:					
Streets and drainage	25,718,245	1,334,455	-	\$ (9,000)	27,043,700
Health and welfare:					
Administration	15,842	-	-	-	15,842
Culture and recreation:					
Recreation	1,213,727	70,000	-	9,000	1,292,727
Parks	3,176,159	112,933	-	-	3,289,092
Warren J. Harang Jr Municipal Auditorium	5,874,209	83,955	84,397	-	5,873,767
Total culture and recreation	<u>10,264,095</u>	<u>266,888</u>	<u>84,397</u>	<u>9,000</u>	<u>10,455,586</u>
Economic development and assistance:					
Airport commission	619,115	-	-	-	619,115
Total governmental funds capital assets allocated to functions	<u>43,574,186</u>	<u>2,288,809</u>	<u>166,620</u>	<u>-</u>	<u>45,696,375</u>
Construction in progress	2,496,231	1,339,506	-	-	3,835,737
Total governmental funds capital assets	<u>\$ 46,070,417</u>	<u>\$ 3,628,315</u>	<u>\$ 166,620</u>	<u>\$ -</u>	<u>\$ 49,532,112</u>

## **OTHER SUPPLEMENTARY INFORMATION SECTION**

**SCHEDULE OF COMPENSATION PAID TO COUNCIL****City of Thibodaux**

For the year ended December 31, 2008

**CITY OF THIBODAUX COUNCIL**

Included in the expenditures of the General Fund is the compensation of the members of the City Council. In accordance with State of Louisiana Statutes, the City has elected the bi-weekly payment method of compensation in lieu of per diem payments. Under this method, the Chairman of the City Council received \$439 bi-weekly, the Vice-Chairman received \$416 bi-weekly and each of the Council members received \$369 bi-weekly.

	<u>Salary</u>
Lloyd Badeaux	\$ 1,330
Anthony Centanni	9,183
Eddie J. Hebert Jr	9,600
Chad Mire	11,400
Eugene Richard	9,600
Jerome Richard	374
Varick Taylor	<u>9,600</u>
Total	<u>\$ 51,087</u>

**STATEMENT OF REVENUES AND EXPENSES**  
**MUNICIPAL GAS AND SEWERAGE SYSTEM FUND**

**City of Thibodaux**

For the year ended December 31, 2008

	<u>Gas System</u>	<u>Sewerage System</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for services	\$ 3,120,271	\$ 1,207,040	\$ 4,327,311
<b>Operating Expenses</b>			
Gas purchased	2,737,256	-	2,737,256
Personal services	358,094	346,936	705,030
Operating supplies	44,141	63,954	108,095
Equipment expenses	32,517	99,147	131,664
Building expenses	5,221	243,729	248,950
Outside services	54,259	60,956	115,215
General operating	54,463	142,765	197,228
General administrative	6,080	2,847	8,927
Depreciation	297,454	353,295	650,749
Total operating expenses	3,589,485	1,313,629	4,903,114
Operating loss	(469,214)	(106,589)	(575,803)
<b>Non-Operating Revenues (Expenses)</b>			
Investment income	40,930	40,930	81,860
Other non-operating revenues	10,566	7,639	18,205
Intergovernmental	36,148	188,765	224,913
Interest and fiscal charges	-	(97,174)	(97,174)
Total non-operating revenues	87,644	140,160	227,804
Income (loss) before contributions	(381,570)	33,571	(347,999)
<b>Transfers From Other Funds</b>			
General Fund	552,476	552,476	1,104,952
<b>Capital Contributions</b>	32,830	243,791	276,621
<b>Change in Net Assets</b>	<u>\$ 203,736</u>	<u>\$ 829,838</u>	<u>\$ 1,033,574</u>

**SCHEDULE OF UTILITY CUSTOMERS**

City of Thibodaux

December 31, 2008

(UNAUDITED)

The number of meters being serviced at December 31, 2008 follows:

<u>Department</u>	<u>Commercial</u>	<u>Residential</u>	<u>Total</u>
Natural Gas	606	3,643	4,249
Water & Sewerage *	<u>1,207</u>	<u>5,221</u>	<u>6,428</u>
Totals	<u><u>1,813</u></u>	<u><u>8,864</u></u>	<u><u>10,677</u></u>

\* All water and natural gas customers are metered. Sewerage is a charge based on water consumption.

SCHEDULE OF INSURANCE IN FORCE

City of Thibodaux

December 31, 2008

(UNAUDITED)

Company	Type of Insurance	Amount	Expiration Date
St. Paul Fire & Marine/Jones	Auto Liability Deductible: SIR of \$100,000	\$ 1,000,000	6/30/2009
St. Paul Fire & Marine/Jones	General Liability Deductible: SIR of \$100,000	1,000,000	6/30/2009
St. Paul Fire & Marine/Jones	Public Officials/Employment Practices Deductible: SIR of \$100,000	2,000,000	6/30/2009
St. Paul Fire & Marine/Jones	Police Liability Deductible: SIR of \$100,000	1,000,000	6/30/2009
St. Paul Fire & Marine/Jones	Employment Practices Liability Deductible: SIR of \$100,000	2,000,000	6/30/2009
St. Paul Fire & Marine/Jones	Employees Benefits Liability Deductible: SIR of \$100,000	1,000,000	6/30/2009
LA Workmen's Comp/AJ Gallagher	Workers' Compensation Deductible: None	Statutory	12/31/2009
Great American/AJ Gallagher/Inland Marine	Physical damage on trucks Deductible: \$1,000	744,523	7/18/2009
Hartford/AJ Gallagher	Boiler and Machinery Policy Deductible: \$2,500	20,000,000	1/1/2009
Progressive/AJ Gallagher	Physical damage - Autos Deductible - \$250	49,800	7/18/2009
Fidelity & Deposit/AJ Gallagher	Employee/Faith Performance Deductible - \$1,000	100,000	5/27/2009
Fidelity & Deposit/AJ Gallagher	Police/Honesty Bond Deductible - \$1,000	100,000	5/27/2009
Arthur Gallagher	Flood Insurance Deductible-Building: \$500	193,600	7/25/2009
Arthur Gallagher	Flood Insurance Deductible-Contents: \$500	22,100	7/25/2009
American Alternative Insurance/ Riviere Insurance	Auto Liability - Fire Department Deductible - \$0	1,000,000	10/11/2009
Fidelity & Deposit/Riviere Insurance	Public Official Bond on Finance Director Deductible - \$0	100,000	3/1/2009
Fidelity & Deposit/Riviere Insurance	Public Official Bond on Finance Secretary Deductible - \$0	100,000	3/1/2009
Fidelity & Deposit/Riviere Insurance	Public Official Bond on Mayor's Secretary Deductible - \$0	100,000	3/1/2009
Fidelity & Deposit/Riviere Insurance	Public Official Bond on Council President Deductible - \$0	100,000	4/1/2009
Fidelity & Deposit/Peltier	Public Official Bond on Mayor Deductible - \$0	100,000	12/14/2009



**SCHEDULE OF INSURANCE IN FORCE**

City of Thibodaux

December 31, 2008

(UNAUDITED)

<u>Company</u>	<u>Type of Insurance</u>	<u>Amount</u>	<u>Expiration Date</u>
Allied World, James River, and First Mercury (Jones Insurance Agency)	Physical Damage - Warren J. Harang Jr Municipal Auditorium Deductible: Loss/damage - \$25,000, Wind/hail - \$100,000 per occurrence 5% of total insured per location	20,000,000	6/1/2009

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Mayor and the  
Thibodaux City Council,  
Thibodaux, Louisiana.

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Thibodaux, State of Louisiana, (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Mayor and the City Council, management, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bourgeois Bennett, L.L.C.*  
Certified Public Accountants.

Thibodaux, Louisiana,  
May 12, 2009.



Bourgeois Bennett

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Mayor and the  
Thibodaux City Council,  
Thibodaux, Louisiana.

**Compliance**

We have audited the compliance of the City of Thibodaux, State of Louisiana, (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

## Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in the City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a major federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor and City Council, management, Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bouges & Bennett, L.L.C.*

Certified Public Accountants.

Thibodaux, Louisiana,  
May 12, 2009.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**City of Thibodaux**

For the year ended December 31, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
<b>U.S. Department of Housing and Urban Development:</b>			
Office of Community Planning and Development:			
Community Development Block Grants/ Entitlement Grants			
	14.218	B-06-MC-22-0012	\$ 323
		B-07-MC-22-0012	151,068
		B-08-MC-22-0012	888
Office of Public and Indian Housing:			
Section 8 Housing Choice Vouchers			
	14.871	LA194VO	<u>707,271</u>
Total U.S. Department of Housing and Urban Development			<u>859,550</u>
<b>U.S. Department of the Interior:</b>			
National Park Service:			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Culture, Recreation and Tourism:</u>			
<u>Division of Outdoor Recreation:</u>			
Outdoor Recreation Acquisition, Development and Planning			
	15.916	22-00880	<u>32,852</u>
<b>U.S. Department of Justice:</b>			
Bureau of Justice Assistance:			
Office of Justice Programs:			
Bulletproof Vest Partnership Program			
	16.607	n/a	8,533
<u>Pass-Through Programs From:</u>			
<u>Louisiana Local Commission on Law Enforcement and</u>			
<u>Administration of Criminal Justice:</u>			
Edward Byrne Memorial Formula Grant Program:			
Thibodaux Police Department Equipment Grant			
	16.579	P08-7-017	<u>901</u>
Total U.S. Department of Justice			<u>9,434</u>
<b>U.S. Department of Transportation:</b>			
Federal Aviation Administration			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Transportation and Development:</u>			
Airport Improvement Program - Airport Access Road Paving			
	20.106	929-01-0006/3-22-0072-002-2008	<u>430,236</u>
<b>U.S. Department of Homeland Security:</b>			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Office of Emergency Preparedness:</u>			
Disaster Grants - Public Assistance - Hurricane Gustav			
	97.036	1786-DR-LA	2,259,635
Hazard Mitigation Grant - Planning Pilot Grant Program			
	97.039	1607-057-0003	<u>52,500</u>
Total U.S. Department of Homeland Security			<u>2,312,135</u>
Total Expenditures of Federal Awards			<u>\$ 3,644,207</u>

\* Federal expenditures represent total expenditures for the program. Those expenditures may include amounts reimbursed by state and/or local matches.

See accompanying notes to schedule of expenditures of federal awards.

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**City of Thibodaux**

**December 31, 2008**

### **Note 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the primary government of the City of Thibodaux (the City). All federal expenditures of financial assistance received directly from federal agencies are included on the schedule, as well as federal financial assistance passed-through other government agencies, including amounts reimbursed by state and/or local match.

### **Note 2 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended December 31, 2008. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

### **Note 3 - FINDINGS OF NONCOMPLIANCE**

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2008.



## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### **City of Thibodaux**

For the year ended December 31, 2008

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

##### **b) Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ yes ☒ no

##### **c) Identification of Major Programs:**

CFDA Number(s)

Name of Federal Program (or Cluster)

20.106

Airport Improvement Program – Airport Access Road Paving

97.036

Disaster Grants – Public Assistance – Hurricane Gustav

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

### **City of Thibodaux**

For the year ended December 31, 2008

#### **Section II Financial Statement Findings**

No financial statement findings were noted during the audit of the financial statements for the year ended December 31, 2008.

#### **Section III Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2008.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

### **City of Thibodaux**

For the year ended December 31, 2008

#### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

##### **Internal Control**

No material weaknesses were noted during the audit for the year ended December 31, 2007.  
No significant deficiencies were reported during the audit for the year ended December 31, 2007.

##### **Compliance**

No compliance findings material to the City's financial statements were noted during the audit for the year ended December 31, 2007.

#### **Section II Internal Control and Compliance Material to Federal Awards**

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2007.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2007.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **City of Thibodaux**

For the year ended December 31, 2008

#### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

##### **Internal Control**

No material weaknesses were noted during the audit for the year ended December 31, 2008.  
No significant deficiencies were reported during the audit for the year ended December 31, 2008.

##### **Compliance**

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2008.

#### **Section II Internal Control and Compliance Material to Federal Awards**

There were no findings or questioned costs reported during the audit for the year ended December 31, 2008.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2008.